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# CSIR PROCEDURES REGARDING transfer of technology and related matters

AMENDED UPTO 31ST JULY 1980



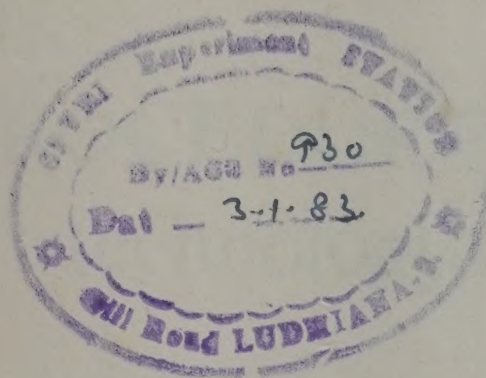
TECHNOLOGY UTILISATION,  
COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH  
RAJ MARG, NEW DELHI

1980









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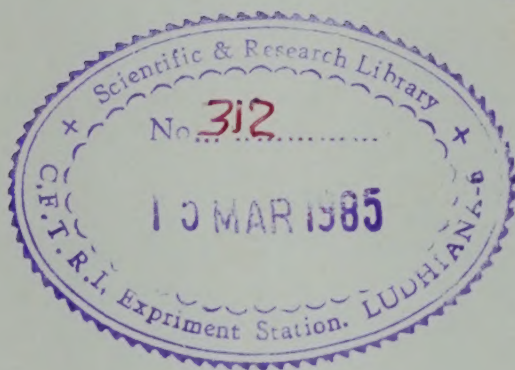
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## INTRODUCTION

CSIR Laboratories and Institutes are engaged in technology transfer and technical assistance to industries and other organizations in a variety of ways. The processes and design engineering knowhow developed are usually transferred for commercialisation through the National Research Development Corporation of India. The Laboratories undertake sponsored R & D projects for and on behalf of private industries, public sector undertakings, government departments etc. They also provide assistance in the preparation of feasibility/project reports; upscaling of processes or setting-up of commercial plants; design engineering service; general consultancy for solution of problems; analysis, testing and standardization facility etc.

In order to streamline procedures and facilitate negotiations, the Council of Scientific & Industrial Research (CSIR) has laid down guidelines for such activities as relating to transfer of technology. These guidelines were compiled and released for the first time in 1975. The compilation served as a ready reference for dealing with matters covered therein and was found very useful.

This is now the fourth edition being reprinted due to repeated demands of copies from laboratories and other users. All amendments upto 31st July, 1980 have been incorporated. This publication, however, does not include "CSIR Patent Procedures" as guidelines for CSIR Patents are being printed separately.

New Delhi  
Dated 25th July, 1980

Dr. J. C. Srivastava  
Scientist-in-Charge  
Technology Utilization  
CSIR







## 1. COMMERCIALISATION OF CSIR PROCESSES /PATENTS

### Release of processes/patents/technical and engineering know-how through the NRDC of India.

1. In terms of CSIR-NRDC Agreement (1956) (Appendix-1), CSIR rights in inventions, patents and technical and engineering "know-how" free from incumbrances, are required to be assigned to NRDC for release to industry except in cases where, for special reasons, the Director General, Scientific & Industrial Research in consultation with the Chairman of the Corporation, decides to exclude them from the purview of this agreement.

The procedure for reference/assignment of processes, patents, design engineering know-how to the NRDC of India, follow up and reporting by NRDC and the respective responsibilities of laboratory, CSIR and NRDC in the commercialisation of CSIR processes, patents, design engineering know-how are detailed in the "Working Arrangement between CSIR and NRDC" (Chapter II).

### Exemption of processes/patents from the purview of CSIR-NRDC Agreement.

The CSIR-NRDC Agreement (1956) provides for direct release of those processes/patents/know-how by the CSIR which for special reasons, the Director General, SIR, in consultation with the Chairman, NRDC, decides to exclude from the purview of CSIR-NRDC Agreement.

Proposals in this regard, with detailed justification for direct release, shall be placed before the appropriate Sub-Committee and the Executive Committee of the laboratory for consideration and approval.

Thereafter, the approved proposal shall be sent to the Chief, Technology Utilisation, CSIR, marked "Confidential". The Laboratories/Institutes shall not send such proposals direct to the NRDC of India (Letter No. 16(99)/66-EI. dated the 9th December, 1966 - Relevant extracts at Appendix II).

The proposal shall be accompanied by following documents :

- a) A note giving reasons for release of process/patent direct by CSIR/Laboratory.
- b) Two copies of non-technical note in the NRDC proforma.
- c) Extracts from the Proceedings of the Executive Committee recommending the release of the process/patent direct by CSIR/Laboratory.

The proposal received from the Laboratory/Institute for release of a process direct to industry shall be put up by Technology Utilisation, CSIR, to Director General, SIR who will record his decision in consultation with Chairman, NRDC whether to release the process direct to industry or not.



In case, the proposal is agreed to by Director General, SIR, the laboratory/Institute shall take action to release the process direct to Industry and shall keep the Technology Utilisation, CSIR informed of its negotiations with parties, release of know-how etc.

Processes which shall not fall within the purview of CSIR-NRDC Agreement.

The following processes shall not normally fall within the purview of CSIR, NRDC Agreement.

- a) Processes developed as a result of sponsored research wholly or partly financed by, outside agencies or industries.
- b) Processes developed in financial and/or technical collaboration with industries.
- c) Processes being offered as a 'technology package' in collaboration with Engineering Design Consultancy firms.

In case of processes released direct by the Laboratory/Institute, the agreement shall have the approval of the Director General, SIR and shall be signed by the Administrative Officer/Accounts Officer of the Laboratory/Institute concerned.

## II. WORKING ARRANGEMENT BETWEEN CSIR AND NRDC REGARDING COMMERCIALIZATION OF CSIR PROCESSES/PATENTS/DESIGN ENGINEERING KNOW-HOW.

### 1. Reference of processes/patents

Process/patent/design engineering know-how developed in CSIR Laboratories will be referred to the NRDC of India by the CSIR Head-quarters after obtaining the approval of DGSIR. The laboratories shall not refer any process/patent direct to NRDC. NRDC will not advertise/publicise or make any commitment prior to formal reference of the process/patent by the CSIR Headquarters.

### 2. Nature of know-how developed :

- a) While referring the process/patent/design engineering know-how, the laboratory will specify in which of the following categories, the know-how is to be released to an interested party:
  - i) "as is where is basis" with a clear stipulation that laboratory takes no responsibility for technical or commercial viability.
  - ii) technology on bench, pilot plant scale or prototype stage with process know-how and/or basic design;
  - iii) technology on bench, pilot plant scale or prototype stage with process know-how and detailed design and engineering through a consultancy firm or a laboratory in CSIR with back up guarantees on capacity of the plant and consumption of raw materials and utilities;



- iv) technology with design and engineering back up for which proving plant may be required to be set up by NRDC/Industry on 50:50 basis;
  - v) technology with design and engineering back up for which equity investment may be made by the NRDC.
- b) While referring the process/patent/design engineering know-how to the NRDC of India, the CSIR shall inform the NRDC regarding the nature of know-how as indicated in (a) above.
  - c) The NRDC of India will clearly indicate to the licensee, the category to which the know-how offered belongs.

3.

### Data/Documents

- a) Prior to forwarding proposal to the CSIR for reference of a process/patent/design engineering know-how to the NRDC of India, the Laboratory may prepare some or all the following technical documents as per the requirement of process:
  - i) Techno-economic feasibility report;
  - ii) process-know-how package/including basic design;
  - iii) process package with detailed design;
  - iv) detailed project report;
  - v) design drawing documentation.

It may not be necessary to prepare all the above referred documents before reference to NRDC. However it will be desirable that atleast the techno-economic feasibility report is made available. For purposes of evaluation representatives from CSIR and NRDC may confidentially examine the documents and obtain any clarification/information prior to the reference of the process/patent/design engineering know-how to the NRDC of India.

- b) Three copies of the following documents shall invariably be sent to the Technology Utilisation CSIR along with the proposal for the reference of the process/patent/design engineering know-how to the NRDC of India.
  - i) Agenda note and extracts from minutes of the Executive Committee, approving the release of the process/patent/design engineering knowhow through the NRDC of India.
  - ii) Proforma for information as required by NRDC along with NRDC proforma for pre-design cost estimates (Appendix III, IV & V).
  - iii) Proforma specifying the "Documents and Assistance" to be provided to the licenced party as per Appendix VI.
- c) While referring the process/patent/design engineering know-how to the NRDC of India, the CSIR shall in turn clearly specify the documents and assistance which would be provided to the licensee(s) as a part of technology transfer.



- d) Transmittal of documents from CSIR to NRDC shall be completed within 30 days after receipt of complete documentation, provided techno-economic evaluation by an outside consultancy organisation is not involved (4(b))  
(letter No. 9/91/77-L(II) dated 2.3.1977)

4. Techno-economic evaluation.

- (a) The process/patent/design engineering know-how would be preassessed jointly by CSIR and NRDC prior to formal reference to the NRDC. The concerned laboratory will be associated with the preassessment, wherever necessary.
- (b) If necessary, the process/patent/design engineering know-how may be referred for techno economic evaluation to a consultancy organisation as may be agreed to by the CSIR and the NRDC. The concerned laboratory will be consulted in the matter. This shall be completed within 90 days of the receipt of complete documents from the laboratory.

A copy of each of the NRDC Draft Secrecy Agreements with i) consultants and ii) prospective licensee firm is given at Appendices VII & VIII.

5. Assignment Deed

The NRDC will be assigned the rights for development/release of process/patent/design engineering know-how for commercialisation through an assignment deed.

6. Licencing by NRDC

- (a) Normally, the selection of a party and terms for licencing a process/patent/design engineering know-how will be done by the NRDC in consultation with CSIR/Laboratory. One copy each of the application received from the entrepreneurs will be sent to CSIR/Laboratory. In urgent cases, NRDC may finalise the selection of party and terms under intimation to the CSIR/Laboratory.
- (b) NRDC of India will consult the CSIR/Laboratory regarding number of parties to be licenced for a particular process/patent/design and engineering know-how.
- (c) In the case of proposals of release of process/patent/design engineering know-how to firms in India having substantial foreign equity (20% or more) or to firms outside India, the CSIR Headquarters will be invariably consulted by the NRDC prior to finalisation of the proposal.
- (d) NRDC shall clearly indicate in all documents that the process/patent/design engineering know-how has been developed by CSIR (Laboratory) and is offered through NRDC.

7. Assistance to Licensees:

- (a) Laboratory will assist the licensee firm in the commercialisation of process/patent/design engineering know-how released to them in accordance



with the information given in Appendix mentioned in para (3a). After the complete transfer of know-how, a certificate in the prescribed proforma (Appendix IX) shall be obtained from the licensee. A copy of the certificate shall be sent to the Chief (TU), CSIR and the NRDC of India.

- (b) The CSIR/NRDC will provide assistance, as far as possible to the licenced party in matters relating to the industrial licence, import licence, banning of import, financing by recognised institutions etc. by taking up matters with the concerned authorities.

8. Periodic review

The utilisation status of the processes/patents/design engineering know-how referred by the CSIR to the NRDC will be reviewed bi-annually jointly by CSIR-NRDC.

9. Pilot/Semi-commercial/Proving plant production.

- (a) In respect of processes/patents/design engineering know-how referred to NRDC, the CSIR Laboratories may continue to undertake pilot plant investigations/semi-commercial scale production for further improvement, consumer acceptability and market studies. The CSIR shall not pay any royalty to NRDC on such production/sale.
- (b) Where there is a possibility of competitive production with the NRDC licensee of the process, such specific cases will be discussed with the NRDC for necessary arrangements.

10. Proving Plants.

In case of technologies referred/assigned to NRDC, which may need setting up of 'Proving Plants' for demonstration/proving of technology, such proving plants' may be set up by CSIR/NRDC jointly or in collaboration with industry. The NRDC may provide the capital and CSIR the technology with the necessary design engineering back up.

11. Reporting on CSIR processes by NRDC

- (a) In respect of processes referred to NRDC, the NRDC shall furnish a monthly and half yearly reports detailing:

Monthly Report

Half-year Report

- |  |   |
|--|---|
| i) Processes referred with date of reference   | i) Processes referred with date of reference and action taken on each.                          |
| ii) Processes released together with terms, and effective dates of licence and names of parties. | ii) Processes released together with terms and effective dates of licence and names of parties. |
| iii) Number of parties already licenced and status of utilisation.                               | iii) Processes under negotiation.   |



iv) Processes under negotiation

iv) Parties in production giving capacity of plants and date of starting production.

v) Further scope of licensing and action proposed.

(b) NRDC shall furnish the following data annually:

i) Data on production & sale (process & Party wise)

ii) Royalty due and collected in each case.

iii) Remarks regarding future potential for licensing.

iv) Processes for which licences were determined/expired during the year

12. Feed back to CSIR/Laboratories

The NRDC of India will provide regularly to the CSIR/Laboratories a feed back regarding status of technology development by licencees, problems/difficulties encountered by them, technological inputs required, if any etc.

13. Fees :

Technology with the process know-how and basic or detailed design will be given by the laboratory. The break-up of fees would be as under:

(a) Licence fee for the process - to be fixed by NRDC in consultation with the CSIR/Laboratory.

(b) Process package with basic design or detailed design or detailed design with project engineering - fee to be fixed by the Laboratory/CSIR.

14. Premia/Royalty

(a) NRDC shall ensure timely collection of premia/royalty and remittance of CSIR and investigator's share to the Council.

(b) CSIR share of premia/royalty collected during any calendar year shall be remitted to the CSIR by the 31st Jan. of the following year indicating the laboratory/process/party to which the amount relates. The premia amounts relating to processes/parties which have not gone into production may be indicated separately. In such cases the CSIR will ensure that the investigator's share is not distributed till such time the party goes into production and intimation to that effect is received from NRDC.

(c) In the event of non-remittance of CSIR share of premia/royalty in time as per para (b) above, the NRDC of India will pay interest to the CSIR at prevalent bank rates.

15. Respective responsibilities of laboratory, CSIR & NRDC in the commercialisation of CSIR processes/patents/design engineering know-how.



(a) LABORATORY

(i) Development of process package:

Laboratory will be responsible for the development of a process package (including basic/detailed design wherever necessary) based on the results obtained either on laboratory scale, bench scale, pilot plant scale or semi-commercial scale depending upon the nature of the technology. Pilot plant/semi-commercial scale work on process/patent/design engineering know-how referred or assigned to NRDC may be undertaken in collaboration with NRDC or NRDC and interested industrial firm on negotiated terms.

(ii) Economic and Market data:

Independent market data survey by NRDC and laboratory should be pooled together before releasing them to the licensee. Licensee on his part either through his own agency or outside agency should carry out an independent market study.

(iii) Nature of know-how developed:

Please see para 2(a)

(iv) Process documents:

Please refer para 3(a)

(v) Assistance to Licensees:

Please refer para 7(a)

(vi) Scrutiny of existing patents:

The laboratories/institutes will ensure as far as possible that the patented know-how does not infringe any existing patent in India. Any expenditure for survey/scrutiny in this regard will be met by the Laboratory concerned.

(vii) Visit of Scientists:

The scientists/technical personnel associated with the process development will visit the production unit set up/under erection etc twice a year so that they are well acquainted with the difficulties experienced and changes incorporated by the licensees. NRDC will be responsible for organising such visits. NRDC and the Laboratory will bear the TA etc. of their staff concerned.

(viii) Distribution of investigator's share:

Laboratory will be responsible for distribution of investigator's share of premia/royalty as remitted by CSIR as per approved procedures.



(b) CSIR

(i) Filing and renewal of patents:

CSIR will be responsible for filing and renewal of patents in India and abroad. All expenses in this regard will be borne by the Council. In the case of patents challenged or infringed prior to reference to the NRDC of India, the Council will take such legal action as may be necessary. All expenditure in this regard will be met by the Council.

(ii) Reference of processes to NRDC:

Please refer para (1)

(iii) Nature of know-how developed:

Please refer para 2(b)

(iv) Techno-economic evaluation:

Please refer para (4)

(v) Assignment to processes/patents:

Please refer para (5).

(vi) Assistance to licensee:

Please refer para 7(b)

(vii) Remittance of investigator's share:

CSIR will be responsible for remittance of Investigator's share of premia/royalty to the laboratory concerned as received from the NRDC.

(c) N.R.D.C.

(i) Nature of know-how developed:

Please refer para 2(c)

(ii) Techno-economic evaluation:

Please refer para (4)

(iii) Publicity of processes/patents:

NRDC will be responsible for preparation of "Preliminary Technical Note" and other publicity material in consultation with the CSIR/Laboratory concerned and arrange for wide publicity through newspapers, journals and other publicity media. It will also establish contacts and undertake negotiations with prospective users of technology through personal visits, meetings etc.



(iv) Licencing by NRDC:

Please refer para (6)

(v) Assistance to licencees:

Please refer para 7(b)

(vi) Protection of patents:

NRDC of India shall be responsible for protection of all patents referred/ assigned to them against infringement. The CSIR/Laboratory shall if so required by the NRDC, render assistance to the NRDC but at the expense of the NRDC in such legal proceedings as the NRDC may deem it necessary, to prevent any such infringement.

(vii) Providing plants and risk investment:

Please refer para 10

(viii) Licence Deed:

The NRDC shall enter into a 'licence deed' with licenced firm/party and will be responsible for the operation of the contract.

(ix) Review and Follow-up:

NRDC shall be responsible for continuous follow-up of the progress of the process upto optimum production stage. NRDC will organise visits of CSIR scientist to the Licencee firms. CSIR Laboratories will make available the service of the scientific and technical personnel for such visits.

(x) Feed back:

Please refer para 12

(xi) Inspection of accounts:

NRDC shall be responsible for the biannual inspection of production activity and the accounts of the licenced firms. Reports of such inspection shall be sent to the CSIR/Laboratory for their information.

(xii) Collection of premia/royalty:

NRDC is responsible for the timely collection of premia/royalty from the licenced firms, maintenance of appropriate records thereof and remittance of CSIR's and investigator's share to the CSIR. Please refer para 14.

(xiii) Periodic Reports:

Please refer para (11)

(Circulated vice CSIR letter No. 9/91/75 L (Pt II) dated 30.7.1976)

### III. DEPUTATION OF SCIENTISTS ALONG WITH THE CSIR PROCESSES RELEASED TO INDUSTRY.

#### OBJECTIVE:

Whenever a CSIR process is transferred to an industrial firm through the NRDC of India or direct by the CSIR laboratory or in case of sponsored research, if the industrial firm so requests, one or two scientists/technologists/engineers from the laboratory who have developed the know-how or who have been involved in the development/pilot plant/design engineering of the process may be deputed to the industrial firm to associate with the development of the know-how till the process goes into commercial production.

#### PROCEDURE:

1. Such deputation of scientists/technologists/engineers to the licenced firm, may be done by the laboratory/institute at the specific request of the firm and on terms by mutual agreement.
2. The licenced party, if it so desires, may indicate its preference for a particular scientist/technologist/engineer. This may be kept in view. The decision will, however, rest with the Director of the laboratory in consultation with the scientist/technologist/engineer concerned.
3. Services of such scientist/technologist/engineer loaned, shall be utilised for the development and commercialisation of CSIR process/patent or know-how released to the firm.
4. The terms for deputation of laboratory scientist/technologist/engineer would be settled with the firm, in advance and recorded in writing.
5. In cases where a CSIR process is licenced to a number of parties and more than one party requires the services of the laboratory/institute for setting up production units, the laboratory/institute may consider organising a group of scientists/technologists/engineers in the laboratory to undertake the work on agreed terms.

#### TERMS OF DEPUTATION:

1. Such deputation of scientist/technologist/engineer may be for a specific period normally, not exceeding six months. The period of deputation could be extended for a further period of not more than six months or curtailed by the Director of the laboratory in consultation with the firm concerned.
2. The terms and conditions of scientists/technologists/engineers, deputed to industry may be similar to those applicable for 'Foreign Service'. However, perks, if any, may be negotiated with the party concerned. Any change brought about in the system of deputation to industry will be automatically applicable.
3. Alternatively, the scientists may be posted to the industry and the cost thereof recovered from the party or their pay and allowances paid directly to them. In addition, a suitable technical consultancy fee may also be charged and a part of it be paid to the Council servant as per existing rules.



4. The firm shall provide all facilities to the scientist/technologist/engineer so deputed as admissible to similar employees of the firm.

#### SANCTIONING AUTHORITY:

1. The Director of the laboratory/institute shall be empowered to sanction deputation of scientists/technologists/engineers to the licenced firms.
2. Chief, Technology Utilisation/Chief (Am.) shall however, be kept informed of such deputation and the terms offered.

#### REPORTING

The Scientist/Technologist/Engineer so deputed shall submit a monthly report of work to the Director of the Institute.

(Reference letter No. 9/106/74-L dated the 23rd April, 1975).

Terms of deputation of CSIR Scientists lent to Government/Quasi-Government/Public Sector Enterprises/Private Entrepreneurs in the interest of "Transfer of Technology" were detailed further in CSIR Letter No. 16(20)/61-E.11 (Vol. II) dated the 1st October, 1975 as under:

- i) Scientists of the CSIR may be lent/deputed to Government/Quasi-Government/Public Sector Enterprises/Private Entrepreneurs in the interest of transfer of technology and establishing research and scientific expertise.
- ii) The terms and conditions under which their services will be made available will be negotiated by the CSIR with the borrower and there will be no restriction on the pay and allowances to be drawn from the foreign employer.
- iii) This arrangement will hold good for a period not exceeding one year in any case, at the end of which the Scientist will have to make up his mind finally either to sever connection with the CSIR or return back to his laboratory.
- iv) Foreign service contributions on account of leave salary and Pension/ Employer's share of contribution to Provident Fund, according to the rules, will be paid to the CSIR for this period by the foreign employer or the Scientist concerned.
- v) His lien for this period will be maintained by the CSIR and the period will count for all purposes as service under the CSIR.

The aforesaid decisions will apply to the cases where transfer of technology from CSIR to industry is involved and not to other cases where Scientists want to go to industry on their own volition.

Whereas there will be no restriction on the pay and allowances during the foreign service of the Scientists whose cases are covered by the aforesaid decisions, the other terms and conditions of their foreign service may be settled in the light of the 'Standard Foreign Service Terms'. The cases which are not covered by the aforesaid decisions will continue to be regulated as per the existing rules/instructions.

The powers enjoyed by the Directors/Heads of the National Laboratories in the matter of sanctioning transfer to foreign service in India will remain un-altered.

#### IV. SPONSORED RESEARCH

CSIR Laboratories/Institutes may undertake Research Schemes/Projects fully financed by outside organisations like private sector industries, public sector industries, Government Departments etc. The guidelines for such schemes/projects circulated vide CSIR Circular letter No. 2/85/70-CDN dated the 5th March, 1970 as amended by subsequent circulars is given below. Provision for partially financed schemes was made vide CSIR letter No. 10/44/75 dated the 16th April 1975.

1. Nature of the Projects:

The projects to be undertaken should fall within the purview of the research activities of the concerned laboratory and should be related to an immediate need of industry or to a need of industry which, though not immediate, is fundamental and makes for progress of industry. The projects can be divided into the following categories:

a) Minor Projects

These should be undertaken only when necessary facilities already exist in the Laboratory/Institute.

b) Major Projects

These may require new equipment and extra staff and should be accepted only when the sponsor is prepared to meet the entire cost. As far as possible attention should be on major projects.

2. Help to Cottage Industries:

Assistance to Cottage Industries registered with Directorate of Industries may be given on a nominal charge.

3. Technical advice and guidance may be given free of cost subject to recovery of actual TA/DA charges of Scientists in case they are required to visit the industry.

4. Competent Authority:

- a) Projects involving a total expenditure of not more than Rs. 10,000/- may be approved by the Head of the Laboratory/Institute concerned.
- b) For projects involving an expenditure between Rs. 10,000/- and Rs. 50,000/- prior approval of the Executive Council be taken wherever possible. In case of urgency, the Head of the Laboratory/Institute may accord approval and report the matter to the Executive Council at the next meeting for ratification.

- 1. The definition of Cottage Industries will be as given by the Government.
- 2. Replace "Executive Council" by "Executive Committee" wherever it occurs.



- c) For projects involving an expenditure of more than Rs. 50,000/-, prior approval of the Executive Council shall be taken.
- d) The sanction of the competent authority will be taken on the prescribed proforma (Appendix X).
- e) In case of projects partially financed by the Laboratory/CSIR, prior approval of the Executive Committee shall be taken irrespective of the total cost of the project. (\*)

5. Duration of the Projects:

- a) The duration of the project shall be decided upon by the Director in consultation with the sponsor subject to adequate safeguards to ensure that no legal liability shall rest with the CSIR if the project is not completed within the stipulated period and no guarantees are given.
- b) The investigation will be carried out within the mutually agreed terms for which the cost estimates have been prepared. If a project is to be continued further, fresh terms will be discussed with the sponsor. A provision to this effect be made in the agreement specified under Clause (6).
- c) The agreed terms shall not be inconsistent with the major terms set out in this document.
- d) Under no circumstances, National Laboratories/Institutes shall undertake research which entails any legal consequences of the nature of damage or other liability if it does not discharge its obligation within the stipulated period.

6. Agreement:

In the case of schemes sponsored by Government Departments, the terms and conditions will be settled through exchange of letters. In other cases, formal agreements will be executed. A standard form of agreement is attached (Appendix XI). It is to be signed by Administrative Officer/Accounts Officer of the Laboratory/Institute as per delegation of powers.

When the laboratories enter into agreements for sponsored research projects in the approved "Standard form", prior approval of DGSIR is not necessary. In cases where departure from "Standard form" is required, DG's approval would have to be obtained. A copy of the finalised agreement should invariably be endorsed to Chief, Technology Utilisation CSIR for information and record.

7. Staff:

- a) Staff employed on sponsored projects will be borne on the establishment of the sponsor and not that of the laboratory/institute. Such staff will, however, be under the administrative control and discipline of the Laboratory/Institute for the duration of the project.
- b) In the case of projects sponsored by Government Departments, short-term appointments for the duration of the project may be made by the

Heads of the National Laboratory/Institute in accordance with the normal recruitment procedures. The terms and conditions of the staff thus appointed will be as laid-down in CSIR O.M. No.16/150/68-EI dated 23.4.1969. The qualifications, experience, pay scales etc. of such staff shall conform to those obtaining in the Laboratories/Institute.

7. c) Regular staff of the Laboratory/Institute, may also be deployed on the project but their pay and allowances plus over-heads of 25% will be recovered from the sponsor.

8. Fees:

- a) Fees, over and above the actual cost and overheads may be levied at the discretion of the Heads of Laboratories/Institutes within the guidelines. The guidelines relating to fees for sponsored research in CSIR are as follows:

"In the case of foreign base firms/international agencies, the fees may broadly vary between 75-150% of the estimated expenditure; for Government Department/Local Bodies between 25-50% and for public sector undertakings about 50-75%. However, in the case of private sector undertakings we should make a distinction between (1) large and medium sector (2) small scale sector and (3) cottage, village and tiny sector. While in the case of large and medium sector, the fee may be between 50-75%, in the case of small sector the fee may not be more than 25%. but even where there is a rural bias or a national priority scheme the charging of "fees" could be reduced or even dispensed with in the discretion of the Directors but for recorded reasons. The exact percentage of "fees" within these ranges be fixed by the laboratory on merits of each specific case but in all events they should recover the usual elements of cost of a project including over-heads. However in case of cottage or tiny sectors recovery of overheads inclusive of TA/DA may in deserving cases, be dispensed with by the Directors for recorded reasons." (Letter No. 10/147/77-L dated 13.7.1978). In respect of sponsored research schemes undertaken in CSIR Laboratories, academic institutions like IITs, IIS etc. may be treated at par with Government Departments/Local Bodies and a fee between 25-50% of the estimated expenditure may be charged at the discretion of the Director of the Laboratory. (No.10/147/77-L dated 1.9.1978).

- b) In case of sponsored research projects or job work undertaken by one of the CSIR Laboratories for another, only actual expenditure plus over-heads may be charged. In such cases "fee" over and above the actual expenditure, need not be levied. (letter No. 10/44/75-L dated 23.8.1976)

9. T.A./D.A. to Staff:

The expenditure on travel, boarding and lodging of the staff deputed for sponsored research projects/schemes be borne by the party concerned according to the appropriate status of the staff and the requirement of the situation. (Letter No. 2/116/73-CDN dated 14.12.1974).

The question of air-travel by non-entitled category of staff in respect of journey undertaken on account of consultancy and sponsored project work has been



reconsidered in view of the economy instructions issued by the Govt. of India, Ministry of Finance, Deptt. of Expenditure OM No. F 7(18)-E (Coord)/79 dated the 7th Sept., 1979, and circulated by CSIR vide OM No. 4(131)-Bud/74 dated 19th Sept., 1979 which provides for a total ban on air-travel to non-entitled categories. It has been decided that:

- (a) the charges are to be borne by the party concerned. Therefore, for consultancy work for private parties, there is no objection to air travel provided the party is prepared to pay for it.
- (b) in the case of government consultancy work, this may not be allowed unless the Department concerned specifically requests for it, in which case they take responsibility for paying for air travel.

The above conditions will also be applicable in case of sponsored research projects. (Letter No. 11/26/79-L (Part file) dated 22.12.1979).

10. Equipment and other facilities:

- a) The Laboratory/Institute will provide existing facilities like water, gas, steam, power chemicals, glassware and other stores and levy charges for the same.
- b) Depreciation charges towards use of equipment should also be levied.
- c) Over-head charges of 10% may be added to the actual cost.
- d) In case any new item of equipment is required, the same should be provided by the sponsor and the sponsor will be free to remove it on completion of the project. In case the sponsor desires to leave the equipment with the Laboratory/Institute as a gift, a letter to that effect should be obtained and the equipment taken over in the relevant stock register.
- e) In case the equipment is considered useful for the Laboratory/Institute, it may be purchased by the Laboratory/Institute on the basis of depreciated value of the equipment.

11. Finance:

11.1 Subject to Clause 2 of these guidelines the sponsored projects will be fully paid for by the sponsor. The charges will include the following:

- a) A refundable deposit for use of Library (Rs. 250/- may be enough to cover possible risk in the issue of Library books and journals).
- b) Refundable equipment deposit:

In case the personnel from industry make use of equipment which is likely to be damaged due to negligent handling, a suitable amount of deposit by way of security may be fixed by the Head of the Laboratory/Institute and collected from the party.

c) Staff requirements and their financial implications year-wise:-

| <u>i)</u> | <u>Designation</u> | <u>Scale</u> | <u>Amount</u> |
|-----------|--------------------|--------------|---------------|
| i)        |                    |              |               |
| ii)       |                    |              |               |
| iii)      |                    |              |               |
| iv)       |                    |              |               |

Add over heads 25 %

d) Service, viz. water, gas, power etc.

e) Chemicals, glass-ware and other stores.

Add over heads 10%  
of (d) & e) \_\_\_\_\_

f) Depreciation on equipment.

g) Estimated expenditure on TA/DA as per rules subject to adjustment in due course.

h) Contingencies (Office conveyance, stationary, typing of reports etc.)

i) Charges to be made as "fees" over and above actual expenses wherever provided.

11.2 In case of projects partially financed by the Laboratory/CSIR, the total cost of the project will be worked out as given in 11.1 above and thereafter the respective shares of the party and laboratory will be indicated (\*).

## 12. Terms of payments:

The payments should be made by the sponsor in two instalments; the first instalment which should be 50% of the estimated cost shall be deposited as advance before starting the project. In the case of projects for a duration not exceeding six months, the entire amount shall be deposited with the Laboratory/Institute before the work starts subject to adjustment, if any, on completion of the project.

## 13. Reports:

- Periodic progress reports be made available to the sponsor as agreed upon.
- The final project report will be handed over only after the sponsor has settled the accounts.

## 14. Publications:

In industrial projects, publications will be in the name of the research workers. If the data is to be published in any scientific journal, due acknowledgement will be made of the sponsoring party. The sponsor will, however, be consulted and his opinion taken in writing before any material is sent for publication. The final decision in this regard will rest with the Director.



Utilisation of know-how:

- a) The sponsor shall be given non-exclusive or limited exclusive right for exploitation of the developed process for a specific period. After the expiry of the exclusive period, the laboratory/Institute shall be free to release the process to other parties either direct or through the NRDC of India. (a) Reference letter No. 10/44/75 L dated 7th June 1976. Total exclusive rights should not be given to sponsor except under very special circumstances with the approval of DGSIR (letter No. 10/44/74-L dated 25.7.76).
- b) The right of option for commercial exploitation should be communicated in writing to the Head of the Laboratory/Institute within 90 (ninty) days from the submission of the final report on the project.
- c) The sponsor who takes over the commercial exploitation of the process may be given a time limit of two years to start actual commercial production.
- d) In case the sponsor does not exercise his option within the period stipulated at (b) above or fails to start commercial production within the time limit laid down in (c) above, the Laboratory/Institute shall be free to offer the process to any other party. In such case, the sponsor shall be entitled for an agreed percentage of premia/royalty accruing from the release of the process to other parties. The total share of sponsor shall not exceed the amount paid by him for the project. (a)
- e) In case the sponsor starts commercial production in terms of agreement and participates in the transfer of technology to the other parties, the premia/royalty collected from other parties shall be shared on 50:50 basis between the sponsor and the CSIR. If the sponsor does not participate in the transfer of technology, his share will be limited to the amount he has paid to the laboratory for the development of the technology (letter No. 10/44/74-L dated 25.7.1976).
- f) The process/know-how developed will be demonstrated to the authorised representative of the sponsor in the Laboratory/Institute premises. The design drawings may also be handed over to the sponsor or his authorised representative. The laboratory/Institute will help the sponsor in the testing of the product and provide consultative advice, if necessary, and towards this, charges will be payable by the sponsor as per Laboratory's Scheme of Testing Charges. The estimated cost of TA/DA will also be borne by the firm and paid in advance.
- g) In case of projects partially financed by the Laboratory/CSIR, the amount of premia and/or royalty to be charged may be decided by the laboratory in each individual cases. The sponsor may be allowed a concessional rate of royalty. The concession would be in the same proportion as the expenditure borne by the party to the total cost of the project. In such partially financed schemes, the sponsor shall be given non-exclusive right to exploit the know-how/patent. (\*).

16. Patents:

If the results of the investigations are such as to justify taking of a patent or patents then in such cases, the patent/patents will be taken in the name of CSIR and will be assigned to the sponsor in terms of the agreement. Charges for filling and upkeep of the patents will be borne by the Laboratory/ Institute concerned. The Laboratory/ Institute will have the right to sub-license the patent under intimation to the sponsor. In the event of the patent being sub-licenced to other parties, the sharing of premia/ royalty collected will be governed in terms of para 15(d) and (e) of the guidelines. Process/patent cannot be sub-licenced during exclusive period except in special circumstances where the Government decides that the technology may be released/ exploited by other party/parties in the national interest. (Letter No. 10/44/74-L dated 25.7.1976).

17. Fee distributable to investigators:

In accordance with CSIR Office Memorandum No.6/23/59-L dated the 22nd April, 1963 (Appendix XVII), any fee charged over and above the actual expenditure shall be distributed to the investigators in the following manner:

- |                  |       |
|------------------|-------|
| a) Investigators | - 40% |
| b) CSIR          | - 60% |

The distribution shall be governed by the procedure for "Distribution of investigator's share or premia/royalty/fee" detailed in Chapter VIII.

The Governing Body of the CSIR at its meeting held on the 21st Sept. 1977 decided to do away with the system of distribution of a portion of royalty etc. arising out of commercialisation of CSIR technical knowhow with effect from the 1st Oct. 1977. (Letter No.9/97/73-L dated 7.11.1977).

It has since been decided that the "fee" accrued from the sponsored research work which had been completed upto 30.9.1977, should only be considered for the purpose of disbursement of a portion of the same to the investigators. Any "fee" from sponsored work which is completed after 1.10.1977 should not be considered for disbursement of any portion of the same to the investigators. (letter No.9/97/77-L dated 25.7.1978).

18. Ownership of the prototype:

In the case of partially financed schemes, since there is substantial contribution by CSIR in regard to not only finances but also in regard to technical inputs, ownership of the prototypes shall remain vested in CSIR(\*) .

19. Sponsored projects financed by companies with substantial foreign holdings.

Director-General has desired that in matters of transfer of technology, sponsored research, consultancy etc, with foreign equity companies, the CSIR Headquarters may be consulted in advance before accepting such proposals. (Letter No.10/44/75-L dated 21.1.1975).

20. Sponsored Research scheme on Pesticides.

CSIR Laboratoires have taken up an integrated programme on development of technologies on pesticides, in consultation with the concerned ministries etc. The



CSIR has also evolved a planned approach in identifying parties that may be most capable of commercialising the technologies developed by the CSIR Laboratories based on multi-product plants, financial, technical and marketing capabilities. The entire approach is being formulated on a planned basis in consultation with the Director of the concerned laboratories, DGT, Planning Commission and the Ministry of Chemicals and Fertilizers.

In the light of the above, it becomes necessary for any laboratory to accept sponsored research schemes from an industrial firm only with the concurrence and prior clearance of the CSIR. This may please be kept in mind in undertaking sponsored research/consultancy on pesticides. (Letter No. 10/44/75-L dated 15.6.1976).

(\*) Reference letter No. 10/44/75-L dated the 16th April, 1975.

(L) Reference letter No. 10/44/75-L dated 7th June, 1976.

## V. TERMS AND CONDITIONS FOR RESEARCH AND DEVELOPMENT PROJECTS FROM DEFENCE RESEARCH AND DEVELOPMENT ORGANISATIONS.

### 1. PREAMBLE:

1.1 CSIR and its laboratories may take up Research and Development Projects at the instance of Defence Research and Development Organisation who will finance such Projects.

1.2 The projects undertaken should normally fall within the purview of the area of research activities of the concerned CSIR Laboratory in keeping with its aims, functions and objectives.

### 2. SCOPE OF WORK:

2.1 The Defence Research & Development Organisation shall furnish full and complete details of the requirements of the projects including drawings and designs etc. to CSIR. CSIR will undertake feasibility study of the project and indicate the estimate of expenditure on the project, duration of the project and mode of payment.

2.2 A copy of the feasibility report will be forwarded by the CSIR to the Defence R & D Organisation who will examine the same. The terms and conditions regarding duration of the project, scope of work, staff requirement, expenditure on project, mode of payment and utilisation of know how shall be discussed before hand and agreed to between the Director of the CSIR Laboratory and the Defence R & D Organisation. Final terms and conditions will be settled through exchange of letters. Agreement on judicial paper is not necessary.

3. Sanction of the CFA - Govt. /Scientific Adviser depending upon the value of the project will be obtained by the Defence Research and Development Organisation and a copy endorsed to CSIR.

4. The CSIR will thereafter be responsible for executing the project by the employment of the required staff, procurement of stores/materials etc.

5. REPORTS:

The CSIR shall render a quarterly report in triplicate as on 31 March, 30 June, 30 Sept. and 31 Dec. by the 16th of the month following the end of the quarter to Defence Research and Development Organisation. The progress report shall indicate the progress made during the quarter and upto the end of the quarter to which the report relates.

6. TERMS OF PAYMENT:

The payment will be made according to agreed terms by the specified CDA on the submission of a Contingent Bill by the CSIR through R & D Headquarters. The claim will be countersigned by the Technical Directors of P & D Headquarters. The CSIR shall render an audited statement of account for the funds utilised every year and also after a project is closed to the Defence R & D Headquarters for transmission to CDA.

7. MISCELLANEOUS:

CSIR, shall not normally utilise the grant for a purpose which results in the creation or acquisition of permanent or semi-permanent assets. In case, however, an equipment is specifically required for the project work, there will be no objection to CSIR having such equipment from the Defence R & D funds. Such equipment or plant or pilot plant shall remain the property of the Defence R & D Organisation after the completion of the project and shall be disposed of in the manner desired by them. In case the equipment is considered useful for the CSIR Laboratory, it may be purchased by them on the basis of the depreciated value of the equipment.

8. CSIR shall maintain a Register of the permanent and semi-permanent assets acquired solely/mainly out of Defence R & D Budget. The proceeds from the disposal of such assets will be credited to Defence R & D organisations.

9. PATENTS RIGHTS:

9.1 Patents on work arising out of Defence sponsored projects should be in the name of the Scientific Adviser.

9.2 Exploitation of patented/developed processes either by Defence or civil should rest with Scientific Adviser to Minister of Defence.

9.3 All specifications, drawings and prototypes resulting from work should be the property of the Defence.

10. SECURITY:

Security classification should be imposed on certain projects where vital Defence interest is involved and the Scientists working on such projects should be cleared from the security angle.

11. PUBLICATIONS:

In matter of publication, relating to patents and utilisation in the civil sector, the assistance provided by CSIR will be acknowledged.



## 12. EXTRA PAYMENT.

While preparing the cost estimates of the project, over and above the actual cost and overheads, a mutually agreed amount will be paid to CSIR on the earliest occurrence of the following:-

- a) On expiration of two years from the date of completion of the assignment;
- OR
- b) upon taking of decision by DRDO to commence production of the item;
- OR
- c) at the time DRDO desires to entrust the production of items to any agency.

This amount will be decided, in each case, in consultation with Ministry of Finance.

(CSIR letter No. 1/72/DCU/1564 dated the 13th December, 1973)

## CONSULTANCY SERVICE IN CSIR LABORATORIES

Consultancy Service in CSIR Laboratories is basically governed by the Ministry of Finance O.M. No. F. 11(2)-E. II(B) /63 dated the 6th May, 1963 (Appendix XII). The guidelines for undertaking consultancy service for private/public sector industries or other organisations approved by Governing Body are given below:-

### 1. Preamble

1.1. "Consultancy Service" envisages rendering technical or professional advice and assistance to help the industry in its various stages of development. It may be in the form of expert advisory service embracing overall aspects of an industry or assistance in the implementation of specific project covering any particular or all aspects from the initial stage of examining its economic and technological feasibility, selection of site, design engineering, fabrication and installation of plant, commissioning to the last stage of marketing and sales promotion of the finished product

1.2 Consultancy Service will be undertaken by the CSIR Laboratories/Institutes/ Headquarters only on "Institutional basis" on payment of specified amount of fee by the industrial firms and other public or Government Organisations.

1.3 Normally, consultancy service by the Laboratories/Institutes will be undertaken in the field of their specialisation.

### 2. Broad classification:

Depending upon the type of assistance required by the party and the work the consultancy service being rendered by the CSIR Laboratories can broadly be classified as under:

### 2.1 Advisory consultancy:

Advisory consultancy service provided primarily on the basis of expert knowledge and experience may include the following:

- a) examine industrial projects or technical documents referred by the party and offer advice and opinion on the same.
- b) collect information from published literature on any process or product and advice on the same.
- c) examine any trouble shooting problem and advice on the same.

### 2.2 Engineering consultancy:

This may related to industrial projects based on established process know-how or knowhow developed by the CSIR Laboratories. In the later case, consultancy will be provided only to those parties to whom the knowhow has been released by the NRDC/CSIR. The consultancy service may include some or all of the following aspects.

- a) preparation of technical feasibility/project report
- b) design engineering
- c) fabrication/purchase of equipment
- d) erection, commissioning and operation of plant
- e) standardisation of conditions for efficient working with regard to yield and quality of products.

### 2.3 General Technical consultancy:

When a laboratory is to act as a general consultant to industrial firm or organisation against a lumpsum payment or fee for a specified period, the party may refer any problem relating to his works for advice and assistance during the period. The laboratory shall provide the assistance through the experts available.

2.4 Other consultancies; techno-economic survey, market intelligence or assessment of resources survey.

## 3. Consultancy fee:

While fixing the consultation fee, the inputs of manpower, laboratory work and expert knowledge may be kept in view.

### 3.1 Advisory consultancy:

In this case the actual job requirement is specified.



Actual cost

|    |   |                  |
|----|---|------------------|
| a) | Cost of man-hours (Appendix XIII).                                      | 100%             |
| b) | Cost of physical inputs like stationery, typing/drawing assistance etc. | 100%             |
| c) | Overheads   | 50% of (a) + (b) |
| d) | total actual cost.  | (a) + (b) + (c)  |

Cost of expert knowledge and fee

This will depend entirely on the quality of expertise offered, advice provided and time required. Fee may be charged upto 500% of (d) above.

3.2 Engineering consultancy

In this case the actual job requirement is specified and may involve some laboratory work.

Actual cost

|    |   |                   |
|----|---|-------------------|
| a) | Cost of man hour (Appendix XIII)                        | 100%              |
| b) | Cost of raw materials/chemicals/ components/consumables | 100%              |
| c) | Overheads   | 100% of (a) + (b) |
| d) | total actual cost                                       | (a) + (b) + (c)   |

Cost of expert knowledge and fee

Cost of expert knowledge and fee equal to (d) or more. It may be also possible to charge at 2-5% on the total project cost as agreed upon through negotiation.

3.3 General technical consultancy

In this case actual job requirement is not specified and the detailed calculations may not be feasible. The fee charged would entirely depend on the quality of expert knowledge and advice to be provided and the period. This may be undertaken on the basis on adhoc lumpsum fee for specified period, say half yearly or annual.

4. TA/DA of Scientists and other staff

4.1 Expenditure on travel, boarding/lodging of the staff deputed for consultancy work be borne by the party concerned according to the status of the staff and the requirement of the situation. This will be charged in addition to the fee stated in Para 3.

4.2 Suggested rate of Daily Allowance for different categories of staff are indicated in Appendix XIV. These are, however, subject to negotiations between the party and the Director of the Laboratories and could be less in the case of small scale

industries and cottage industries. Whenever necessary the Director may permit air-travel to any scientist/staff working on a consultancy service, the expenditure being borne by the party concerned.

The question of air-travel by non-entitled category of staff in respect of journey undertaken on account of consultancy and sponsored project work has been reconsidered in view of the economy instructions issued by the Govt. of India, Ministry of Finance, Deptt. of Expenditure OM No. F7(18)-E(Coord)/79 dated the 7th Sept., 1979 and circulated by CSIR vide OM No. 4(181)-Bud/74 dated 19th Sept., 1979 which provides for a total ban on air-travel to non-entitled categories. It has been decided that:

- (a) the charges are to be borne by the party concerned. Therefore, for consultancy work for private parties, there is no objection to air travel provided the party is prepared to pay for it.
- (b) in the case of government consultancy work, this may not be allowed unless the Department concerned specifically requests for it, in which case they take responsibility for paying for air travel.

The above conditions will also be applicable in case of sponsored research projects. (Letter No. 11/26/79-L(Part file) dated 22.12.1979).

#### 5. Accounting

Amount received for "Consultancy Services" shall be credited to the funds of the Laboratory/Institute concerned under the Head "Misc receipt - Job Work - Consultation fee". The honorarium shall be paid from normal budget of the Institute under "P-3- Allowances and honoraria".

The estimated receipts on consultation fee should form part of the Receipt, Budget of the Institute and provision for honorarium expected to be paid for job - work - Consultancy shall be made by the Institute under the head "P-3 Allowances and Honoraria". (Reference CSIR letter No. 11/26/75-L dated 8.8.1975).

#### 6. Agreement

6.1 The terms and conditions of the "Consultancy Services" should be clearly defined in an Agreement to be executed between the Laboratory/Institute and the party concerned.

6.2 The said agreement shall indicate the specific respective responsibilities of the laboratory and the party and detail; (a) scope of service; (b) period; (c) consultancy fee; (d) mode of payment and (e) other conditions if any (model Agreement enclosed Appendix XV).

6.3 In the case of consultancy service rendered to Government Deptt. and/or Public Sector Undertakings, the terms and conditions as in 6.2, may be settled through exchange of letters. In such cases, formal agreement on non-judicial paper may not be necessary.

6.4 In the case of general technical consultancy of minor nature, involving a total fee of not more than Rs. 10,000/- particularly in the case of cottage industry or small scale industry, it may not be necessary to insist upon formal agreement. How-



ever, if the Director feels that an agreement would be technically and legally useful, the party may be asked to enter into legal agreement.

6.5 The agreement shall contain a stipulation that the CSIR/laboratory shall not in any way be responsible for any damage to the property/plant/material of the party during the course of or consequent to the consultancy service being provided.

6.6 Every care should be taken to avoid any legal complications involving the Laboratory/Institute/CSIR as a result of consultancy service. Services of the Law Officer and Technical Division concerned at the Headquarters will be available for any clarification and advice in this regard.

## 7. Terms of Payment

7.1 In case of 'Advisory Consultancy' the payment of consultancy fee shall be made by the party in advance before the commencement of service or before signing of agreement whichever is earlier.

7.2 In cases of 'Engineering Consultancy' or 'general technical consultancy' either the entire amount of fee shall be received in advance before the commencement of service or the total amount shall be received in two equal instalments - one before the commencement of the service and the other immediately after the expiry of half of the agreed period, within fifteen days. The payment of second instalment should be ensured through irrevocable Bank Guarantee.

7.3 The estimated cost of the services to be rendered may be worked out and given to the party. Seventy five percent (75%) of the cost should be deposited by the party in advance. On actual completion of the service, 25% of the estimated cost and difference between the estimated and the actual cost is to be realised from the party.

## 8. Sanctioning Authority

8.1 All consultancy work in the Laboratory/Institute shall be undertaken with the approval of the Executive Committee.

8.2 Normally, the Directors may desist from accepting institutional consultancy where they are to act as a single person. However, in cases where consultancy involves Director and/or Deputy Director as a single person, the proposal should have the sanction of the Director General, SIR after the recommendation of the Executive Committee. In cases of consultancy where the Director and/or Deputy Directors are a part of the consultancy group, no reference to the Director General is necessary and approval may be accorded by the Executive Committee.

8.3 When consultancy service involves staff upto Assistant Director, the Director of the Laboratory would be the sanctioning authority.

8.4 Any consultancy service by the Scientists/Staff at the Headquarters shall have the prior sanction of the DGSIR.

8.5 In the case of consultancy services involving a total fee of Rs. 10,000/- or less, the DGSIR (para 8.2) or the Director (Para 8.3) may accord sanction in anticipation of the approval of the Executive Committee. The matter shall be reported to the Executive Committee at its earliest meeting for ratification. In cases of consultancy

proposals involving a total fee of more than Rs. 10,000/- and which may need urgent implementation, prior approval of the local members of the Executive Committee may be taken for taking up consultancy projects. The proposals may then be placed before the Executive Committee for ratification (Letter No. 11/26/74-L dated 3.4.1976).

8.6 The Executive Committee shall decide regarding the fee to be charged for consultancy work. The fee should not be fixed on consideration of profit alone. Assistance of minor nature to small scale or cottage industries may be given without any charge or on nominal charge.

8.7 The staff involvement for a particular consultancy job shall be approved by the Executive Committee taking into account the overall interest of the laboratory/Institute. Work load of individual scientist for laboratory research, experience, annual earning from consultancy and other fees etc. will be kept in view. Where industry has indicated its preference of person(s) such request will be given due consideration.

8.8 The Executive Committee shall decide regarding the amount to be paid as honorarium to the consultants taking into account the total fee received and the actual expenditure in each case. The share of each individual member of the team shall also be determined by the Executive Committee keeping in view the type of work put in by the Scientist and the time he spent on it etc.

In working out the maximum amount of honorarium admissible to the consultants, the laboratories may take into account the actual expenditure incurred on the consultancy service by the laboratory, the nature of work and the intellectual and physical inputs by the Consultants. The actual expenditure should normally be deducted from the total amount received from the consultancy work (Letter No. 11/26/75-L dated (27.3.1976).

8.9 The proposal for consultancy service will be placed before the competent authority viz. the Executive Committee, Director or Director General SIR in an approved proforma (Appendix XVI) for consideration and approval. A copy of the proforma and the approval will be sent to Technology Utilisation CSIR for record (No. 11/26/75-L dated 9.7.1976).

#### 9. Ceiling on man-hours spent and amount of honorarium

There shall be a ceiling on man-hour put in consultancy by a scientist/other person. It will be worked out as under:

9.1 Consultancy days should not normally exceed 50 days in a financial year. This excludes work relating to sponsored projects, deputation etc.

9.2 Total amount of the honorarium granted to scientists and others in each case may be upto but not exceeding 2/3rd of the total amount of fees (para 3).

9.3 The ceiling for grant of honoraria to individual consultants should be Rs. 9000/- (Rupees Nine thousand only) during a financial year (letter No. 11/67/77-L dated 12.7.1978).

The Governing Body of CSIR, at its meeting held on 3.8.1979 decided that:

a) The grant of honorarium to individual consultants in respect of all items of work completed prior to 19.6.78 would not be subject to the ceiling of



Rs. 9,000/- per annum irrespective of the date on which the amount was actually received or distributed; and

b) The grant of honorarium to individual consultants in respect of all items of work taken up and/or completed on or after 19.6.78 would be subject to the ceiling of Rs. 9,000/- per annum, the year being reckoned as the financial year. (Letter No. 11/67/77-L dated 1.9.1979).

## 10 GENERAL

10.1 The objective of consultancy service is to maximise interaction between scientists in the laboratories and those in R & D/production operations in industrial firms; make available expertise available in CSIR for upgrading technological level and aid industrial development, and provide opportunity to CSIR scientists to better appreciate industrial realities.

10.2 Civil Engineering staff and medical personnel would not be eligible for professional private practice.

10.3 As far as possible, scientists or persons selected for this work should have the confidence of the client. The names of the scientists or the person(s) who might be assigned the work of consultancy, may be mentioned in letters exchanged between the Laboratory and the party but not mentioned in the Agreement.

10.4 Laboratories/Institute while accepting the consultancy work and consultancy fee offered by the private firms, shall ensure that the consultancy work is diffused at various level of scientist and not rests with the Directors/senior-Scientists.

10.5 Care should be taken that medium and small scale industries are not ignored and the bigger group of industries do not monopolise the service of the CSIR Laboratories/Institutes for consultancy service on basis of payment/advantage of the latter.

10.6 The consultancy projects accepted should not acquire priority over the approved programme and activities of the Laboratory except in cases where the sanctioning authority is satisfied that the consultancy service is in national interest.

10.7 In case of any doubt, difference of opinion or dispute arising out of any of the above clauses, the decisions of the Governing Body shall be final and binding on all concerned.

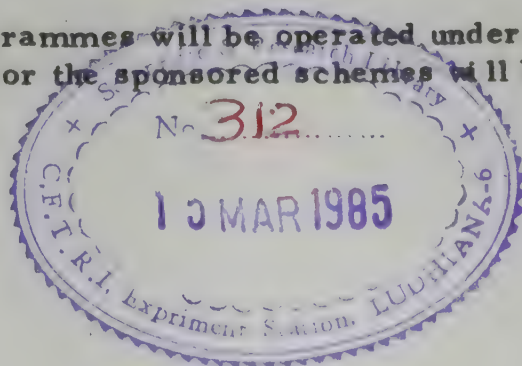
10.8 Headquarters Division concerned and Data Bank should be kept posted about the consultancy work undertaken and its progress.

(Letter No. 11/26/75-L dated the 25th April, 1975)

## VII. BUDGETING AND ACCOUNTING OF FUNDS RECEIVED FROM OUTSIDE ORGANISATIONS FOR SPONSORED RESEARCH SCHEMES/CONSULTANCY SERVICES.

### 1. Budgeting

The budget of sponsored research programmes will be operated under: "G-Deposits and Advances". The amount received for the sponsored schemes will be



credited under "G-Deposits and Advances-Sponsored Research Schemes". Similarly, the expenditure on such schemes will be met under the same head viz. 'GDA-Sponsored Research Schemes'. The receipt on account of consultancy will be credited under 'Misc. -Receipt' and the expenditure, if any, will be met from the other regular heads of the Lab/Instt.

## 2. Accounting

### a) Responsibility for maintenance of accounts

The accounts of receipt and payment should be maintained properly and authentically by an authority who is dealing with such transactions. The responsibility of maintaining the accounts should rest with the Accounts Officer of the Lab/Instt. It will, however, be incumbent on the part of the concerned Scientist/Investigator or Liaison and Information Officer or Administrative Officer as the case may be, to supply the information required for maintenance of accounts. In case the information called for is not given by these officers, the Accounts Officers will be at liberty to bring this to the notice of Director.

### b) Procedure for maintaining the accounts

i) The Liaison and Information Division/Scientist Incharge project on receipt of the request from the sponsoring organisation, will prepare an Estimate as per CSIR guidelines circulated vide letter No. 11/26/75 dated 25.4.75 and after getting the approval of the Competent Authority take necessary action to get the funds as explained therein. A copy of the Estimate will be endorsed to the Accounts Officer giving therein, inter alia, the code number, name of the project/consultancy service, name and address of the party and name of the Investigator/Associates etc.

ii) The Accounts Officer will maintain a separate register in the proforma as per Appendix XVII and complete the entries in Col. No. 1 to 6 on the basis of the Estimate received from the Liaison and Information Division.

iii) On receipt of the amount from the party concerned, an entry will also be made in the above register in addition to other regular entries such as the amount of sponsored project in GDA and consultancy under Miscellaneous Receipt.

iv) For keeping the day-to-day account of expenditure, a subsidiary register as per Appendix XVIII shall be maintained. In this register transactions pertaining to the sponsored project/consultancy service will be recorded on the basis of bills passed. It will, however, be incumbent on the part of the Drawing and Disbursing Officer to indicate on each such bill the name of the project/service or code number to which expenditure is to be debited.

v) In respect of articles issued from Stores/Divisions etc., the Store Officer shall send a monthly statement to Accounts through respective Project Leaders showing therein the nomenclature and quantity of stores issued on particular project together with the cost thereof so that the same may be debited to the concerned project. Head of account from which the stores were originally purchased should also be indicated so as to enable the Accounts Section to make the necessary transfer entry.

vi) Expenditure on TA/DA normally to be borne by the sponsoring organisation and should, therefore, be charged separately. In case the anticipated amount on this



account has been received in advance the same is to be credited to G D A and the expenditure met therefrom.

vii) Items of expenditure like salary, machine time, depreciation charges etc. for which separate bills are not drawn, the Liaison and Information Officer/Scientist-in-Charge will intimate to Accounts Officer the percentage of time devoted by each Scientist/Investigator on a particular project in the month so that the Accounts Section may debit the amount to the respective project by making a transfer entry. Similarly, expenditure on machine time taken, depreciation etc. will be worked out by the Information Division in consultation with the concerned Division/Scientist and intimate the same to Accounts for making necessary entries in their books. This is to be done by drawing a transfer entry.

viii) The register at Appendix XVIII is to be closed monthly and the total expenditure taken in the 'GDA' register for working out the monthly balance.

ix) On completion of the project, the register at Appendix XVIII is to be closed and the progressive totals carried out in the register at Appendix XVII and the balance available worked out which should tally with the balance shown in the GDA register in respect of each project.

x) The Liaison and Information Division/Scientist Incharge/Administrative Officer may obtain the approval of the Competent Authority for payment of Investigator's share, if any. On the basis of sanction and the bill received, the Accounts Section will make necessary entries in the register at Appendix XVII and close the same under signature of Accounts Officer.

(Letter No. 1/176-Report dated 13.7.1976)

#### VIII. DISTRIBUTION OF INVESTIGATORS SHARE OF PREMIA/ROYALTY/FEE

##### Investigators' share of premia/royalty/fee.

In accordance with CSIR Office Memorandum No. 6/23/59-L dated the 22nd April, 1963 (Appendix XIX) a portion of premia/royalty earned from the CSIR processes/patents/engineering know-how is distributable to the investigators as under:

a) Premia/royalty on processes/patents released through NRDC of India:

|                  |   |      |
|------------------|---|------|
| i) Investigators | - | 40 % |
| ii) NRDC         | - | 30 % |
| iii) CSIR        | - | 30 % |

b) Premia/royalty on processes/patents released direct by the CSIR:

|                  |   |      |
|------------------|---|------|
| i) Investigators | - | 40 % |
| ii) CSIR         | - | 60 % |

Any amount received by the Laboratory/Institute in lieu of the following services shall not be distributable to the workers:

- a) sale of publications like project reports/feasibility reports/survey reports or sale of design drawings.
- b) fee for analysis and testing work as per schedule of charges.
- c) fee towards technical aid and demonstration of process.
- d) repair of equipment and instruments.
- e) sale of products manufactured on pilot plants.

#### Procedure for distribution

The approved procedure for distribution of share of premia/royalty/fee to the workers circulated vide CSIR letter number 82/25/71-L dated 28th February, 1973, is given below:

#### 1. Team of workers

- 1.1 Team for any R&D project shall consist of workers contributing to its success and may include research scientists and other development staff, such as chemical engineers/engineers/economists and information scientists who are required to provide innovative, experimental, design engineering, development and data collection and analysis inputs. Other personnel, who provide only physical or mechanical inputs on ad-hoc basis, shall not form part of the R&D team.
- 1.2 The personnel of the Team shall be decided by the Project Leader in consultation with the Director/Head of the Laboratory/Institute. In the case of patents, the names of the authors shall be decided from among the Research Team and displayed on the Notice Board prior to filing of the patent.

#### 2. Maintenance of project records

- 2.1 The Head of the Laboratory/Institute shall ensure that at least a quarterly report/record of R&D project is maintained by the Project Co-ordinator / research worker.
- 2.2 A record of R&D work on all projects, whether funded by the Laboratory/Institute or sponsored, shall be maintained separately by (1) Project Co-ordinator and (2) individual members of the team, in the manner described below:
- 2.3 The Project Co-ordinator shall maintain a 'Project Record File' containing information regarding:
  - a) Initiation of idea; date of starting of project; team of workers to be recorded at the beginning of the project. Individual responsibility shall be clearly defined, as far as possible.



- b) Any change in the personnel or programme of work, suggestions, ideas and contribution by the individual members of the team etc. shall be recorded in the "Project Record File" from time to time.
- c) The progress of work, extent of participation by members of the team (whether wholtime or on part time) significant contributions made by any scientific workers shall be recorded periodically (at least quarterly) in the 'Project Record File' by the Project Co-ordinator.
- d) Project Co-ordinator shall also maintain a record of the inputs / contribution by the physical/mechanical workers if any, who do not constitute the R&D Team on a systematic basis.
- e) On the completion of a Project, the Project Co-ordinator shall make a record of final achievements of the Project and the contribution made by each member of the team. The final record shall be signed by each member of the team and the Project Coordinator. In the event of any difference of opinion, majority view should be accepted.
- f) The 'Project Record File' shall form the office record and shall be retained by the Institute after the completion of the project.

2.4 The individual worker of the team shall maintain his own R&D Record Book as under:

- a) The "R & D Record Book" shall indicate the date of joining the project, extent of participation (whether wholtime or part-time), work allotted and/or undertaken from time to time.
- b) It shall contain details of experimental work, data, observations, discussions etc. in respect of work allotted/undertaken.
- c) Any special contribution or achievement made, shall be specifically recorded.
- d) The "R & D Record Book" shall be periodically (at least once a month) shown to the Project Coordinator who shall countersign it, particularly when any special contribution or achievement is claimed by the workers.
- e) The "R & D Record Book" shall be maintained and kept by the workers and shall be presented as and when required by the Project Coordinator / Director.

### 3. Entitlement of share from premium/royalty/fee

- 3.1 The members of the R & D Team who have actually contributed towards research and development work of the project shall be entitled for share from the premium/royalty/fee.
- 3.2 A substantial portion of royalty should go to the inventors/innovators and the rest to the other workers.
- 3.3 A person is entitled for a share of premium/royalty even in the event of his transfer/retirement/resignation from CSIR.

- 3.4 In the event of death of worker, his/her legal heir shall be entitled for his/her share of premium/royalty.
- 3.5 The members of the team may agree to the grant of some portion of premium and/or royalty as ex-gratia payment to those who have contributed only physical/mechanical inputs and do not form part of the team, in recognition of their services done for the successful implementation of the projects. Recommendations regarding the personnel and amount may be made by the Project Leader in consultation with his Team. (As amended vide letter No.82/25/71-L dated 15.1.1977).

#### 4. Constitution of Royalties Committee and functions

- 4.1 "Royalties Committee" shall consist of one Project Coordinator and two scientists and shall be constituted by the Head of the Laboratory/Institute as and when the occasion arises. The members should be selected on a rotational basis and they should not be entitled to any share in the royalties proposed to be distributed according to the recommendations.
- 4.2 The Committee may invite for consultation, the members of the research team concerned with the project in question.
- 4.3 The Committee shall decide about the persons who are entitled to a share in premium/royalties and the amount to be paid to each.

#### 5. General Procedure for determining individuals share:

- 5.1 The Project Coordinator shall circulate/present his report containing details of work done and innovative, qualitative and quantitative assessment of contribution made by each member of the Team. He shall also make his suggestions regarding the pattern of distribution of premium/royalty.  
  
The recommendations of the leader/Project Co-ordinator need not be displayed on the notice board prior to the consideration by the Royalties Committee (letter No. 82/25/71-L dated 17.8.1976).
- 5.2 The "Project Record File" shall be made available to the Committee.
- 5.3 The Committee shall consider the report of the Project Coordinator and make recommendations regarding the pattern of distribution of premium/royalty.
- 5.4 The draft recommendations of the 'Royalties Committee' shall be brought to the notice of members of the team and shall also be displayed on the notice board of the Institute.
- 5.5 In case no objection or representation against the recommendations, is received by the Director, within a period of fifteen days from the date of issue of letters or display on notice board, the recommendations may be taken as generally acceptable.



- 5.6 Any representation or objection received within fifteen days, shall be considered by the 'Royalties Committee'. The Project Record File and the R&D Record Book of the individuals shall be made available to the Committee. The Committee if so desires, may also invite the persons concerned to present their cases.
- 5.7 The final recommendations of the 'Royalties Committee' shall be placed before the "Executive Committee" giving the details of representation/objections received, if any.
- 5.8 The decision of the 'Executive Committee' shall be brought to the notice of the members of the Team and also displayed on the notice board of the Institute.

In cases where there are no objections or representations on the recommendations of the Royalties Committee and the recommendations of the Royalties Committee are accepted by the Executive Committee without any modification, it is not necessary to display it again on the notice board or bringing it to the notice of individuals. (Letter No.82/25/71-L dated 17.8.76 ).

- 5.9 In case any person is not satisfied with the decision of the Executive Committee, he may appeal to the Director General, SIR within one month from the date of issue of letter to him. The decision of the Director General, SIR shall be final and binding on all concerned.

6. Distribution of shares of premium/royalty.

The distribution of individuals share of premium/royalty in accordance with the decision of the 'Executive Committee' /DGSIR shall be the responsibility; of the Head of the Laboratory/Institute.

7. As regards payment of investigators' share of premia, the Board of Directors of NRDC of India has decided as under:--

"The Investigator's share of the lumpsum premium be paid only after the process has gone into commercial production or in case of licences terminated after the forfeiture of the premium has become absolute".

It was also clarified that the forfeiture of lumpsum premium will become absolute only after three years from the date of forfeiture, if the party concerned does not resort to legal proceedings.

(Letter No.9(2)/64-L dated the 29th February, 1964 ).

8. Distribution of share from premia/royalty/fee to the investigators-Position after 1.10.1977.

The Governing Body of the CSIR at its meeting held on the 21st Sept. 1977, decided to do away; with the system of distribution of a portion of royalty etc. arising out of commercialisation of CSIR technical knowhow with effect from the 1st October, 1977. All payments accruing as a result of the commercialisation of CSIR technical knowhow upto and inclusive of 30th September, 1977 would however be made. (letter

No. 9/97/73-L dated 7.11.1977). Sponsored research entails development of knowhow which is to be commercialised or utilised by the sponsor. Therefore, any fee and/or royalty charged thereof, is also not distributable to investigators in pursuance of the decision of the Governing Body (letter No. 9/97/73-L dated 3.2.1978).

In this regard, it is clarified that the share from all the premia/royalty/fee (in case of sponsored work) that had accrued upto and inclusive of 30th Sept. 1977 will be paid to the investigators, irrespective of the date on which the amount is actually received by the CSIR. However, no amount would be defrayed in respect of the processes commercialised/released before 30th Sept. 1977 but whose earnings relate to the period subsequent to 30.9.1977. (letter No. 9/97/73-L dated 22.6.1978).

## IX. ASSESSMENT OF PROJECTS FOR PILOT PLANT TRIALS

All proposals for pilot plant trials on projects in CSIR Laboratories or undertaken elsewhere shall be assessed by a Committee in accordance with the following procedure for assessment of a project for pilot plant trial, circulated vide CSIR letter No. 25/1/72-L dated the 12 July, 1972.

1. a) This applies to all C.S.I.R. Projects - done in CSIR Laboratories and elsewhere.
- b) The procedure is applicable to all pilot plants funded by NRDC and/or CSIR.

### 2. Definition of pilot plant

This may be defined as (i) development work necessary to commercialise laboratory process/product; (ii) for obtaining data to determine techno-economic feasibility; (iii) process, design and engineering data for upscaling; (iv) to study market acceptability of a product or (v) as experimental or (vi) demonstration unit.

### 3. Initiating pilot plant work

- (a) The investigator incharge of a project may compile a report of the work done and make a requisition for undertaking of pilot plant work.
- (b) NRDC may suggest a pilot plant study/trial of a process/product in view of their assessment of its market, requirement even where the laboratory might not suggest it.
- (c) NRDC and CSIR may draw up guidelines from time to time for undertaking pilot plant work on specific projects related to national goals as defined by the Government. NRDC and CSIR will also be in close touch with NCST in drawing up these goals and identifying areas where such work should be undertaken.

### 4. Procedure for taking a decision to undertake pilot plant work

- (a) The investigator should prepare a full report setting forth details of work already done, need for pilot study, market and economic possibilities. The investigator may give as much of the information as available with him/them. The rest of the information essential for evaluation may be collected by the CSIR/NRDC.



(b) (i) The prescribed proforma (Appendix-XX) for pilot plant work should be filled.

(ii) Each pilot project will have the following targets:-

A - Time

B - Cost

C - Clearly defined objectives to be achieved.

(c) A committee of three experts may be constituted to assess the project proposed for pilot plant work. This committee would consist of representatives of CSIR, NRDC and the laboratory investigating the project. The project leader may initiate action for the constitution of the Committee by inviting representation of CSIR & NRDC on specific proposal and take action regarding convening the meeting. The Committee may obtain additional assistance in the form of experts, scientists, engineers, economists or firm of engineering consultants as may be required to assess the project. NRDC/CSIR should agree upon the engineering consultant proposed to be appointed where outside consultancy services are required. The laboratory representative will be the convener of the Expert Committee.

(d) The Assessment Committee should normally make its recommendation on the project within 3 months of the date of requisition by the investigator/investigating organisation. The request has to be sent to CSIR (with a copy to NRDC), who will then take action to appoint their nominees on the assessment committee.

(e) Copies of the report of the Assessment Committee will be made available to the CSIR, NRDC and the Laboratory.

#### 5. Funding pilot plant unit

(a) It should be the endeavour of CSIR and NRDC to have the participation of industry in the pilot plant work. The association of industry should be in the form of financial and/or technical participation. It may be considered whether it will be useful to put up the pilot plant at the premises of the industrial firm or the national laboratory.

(b) Even after best efforts if industry's participation could not be procured, CSIR/NRDC should support the work if assessment warrants pilot plant trials.

(c) In some cases it may not be in national interest to take sponsorship from any single industrial firm/organisation. There may be cases where it may not be in the national interest to associate the industry at all with the setting up of pilot plant. In such a case the pilot plant may be funded by CSIR and/or NRDC.

(d) A decision on funding will be taken up by CSIR in each individual case.

If the pilot plant is to be funded by the NRDC, the Board of NRDC would consider the report and approve funds for the pilot plant.

(e) In cases of financial support by industry and in the event of failure of the pilot plant trials to give expected results, decision would be taken if a portion or the entire funds may be reimbursed to industry/or they take responsibility for risk with promise of favourable terms.

6. Reporting and Review of Progress

- (a) Pilot project work will be reviewed periodically every six months by a standing Expert Committee consisting of representatives of NRDC, CSIR and Laboratory and also a representative of the industry in the pilot plant work. A report on the progress will be made every three months.
- (b) This committee would also assess the results of pilot plant work at the conclusion of the project and give their advice on the technical/commercial possibilities depending on the results achieved.

7. Terms and Conditions for Licensing etc.

- (a) At the completion of the project the Laboratory/Institute will compile a comprehensive report giving the technological, economic, design/engineering and other such data as may be relevant to the objectives of undertaking pilot plant work.
- (b) Where the project has been totally financed by the NRDC, it may be licensed to suitable parties on terms to be decided by the Board of Directors of NRDC. If NRDC finances are not involved, the decision on licensing will rest with the CSIR.
- (c) In cases where financial responsibility for pilot projects is borne by the CSIR and/or NRDC in collaboration with industry, terms for exploitation and licensing and sub-licensing and refund of the firms' investment, if any, will be decided in advance through mutual consultations.

8. Authority to sanction pilot plant projects

Pilot plant costing below Rs. 5.00 lakhs may be sanctioned by the Executive Committee. Pilot Plants costing Rs. 5.00 lakhs and more will require the approval of the Governing Body.

In case of all Pilot Plant Projects, irrespective of the cost involved, where funding by National Research Development Corporation of India or any other outside organisation is envisaged, specific approval of the competent authority (Executive Committee or Governing Body as the case maybe) regarding terms and conditions of funding and exploitation of developed know-how may be obtained. Such proposals and agreements may be processed through the Technology Utilisation, CSIR (letter No. 14/17/71-CTE dated 18.8.1975).

9. Staff

Staff requirement for the Pilot Plants may be seconded from the regular strength of the Laboratory/Institute.

10. Procedure for submitting proposal for the consideration of Governing Body

Proposals for the consideration of the Governing Body, shall be sent to the Chief, Technology Utilisation, CSIR along with the following documents:

- (a) Copy of the proposal
- (b) Report/recommendations of the Assessment Committee.



(c) Extracts from the Proceedings of the meeting of the Executive Committee recommending the proposal.

( Reference Letter No. 14/17/71-CTE, dated the 7th Sept., 1974 ).

X. REVOLVING FUND SCHEME FOR RESEARCH & DEVELOPMENT OF CSIR PROCESSES

1. Objective:

The objective of the scheme is to create facilities in the CSIR laboratories for development of processes to establish market acceptability and commercial viability on a limited scale, and also to take up socially oriented projects on an experimental basis on the know-how developed by the CSIR Laboratories/Institute.

2. Period:

Each scheme will be for a period not exceeding five years after which it may be reviewed.

3. Sanctioning Authority:

The Scheme will be approved by the Executive Committee of the Laboratories and sanctioned by the Governing Body of the CSIR.

4. Finances:

The scheme will be financed from an advance from the CSIR. The total amount of the loan for each scheme towards capital and working expenditure shall not exceed Rs. 25.00 lakhs. During the currency of the scheme, the receipts by way of sale, if any, of products arising during the course of Research and Development shall be credited towards the working capital of the scheme.

5. Administration:

The scheme will have a separate staff specifically responsible for the work of the project. The required staff, as far as possible, be seconded from the Laboratory staff. The staff shall remain under the administrative control of the Director of the Laboratory.

6. Monitoring:

The project shall be monitored by a Committee headed by the Director of the Laboratory and having Project Leader, Scientist/Engineer responsible for R & D work, Accounts Officers, Administrative Officer and a representative from CSIR Hqrs. as members. A representative from Industry may also be included whenever considered necessary.

7. Accounting Procedure:

A separate account will be opened with the bank in the name of the Scheme with a separate subsidiary Cash Book and Classified Extract.

All receipts and payments should be incorporated in the Classified Abstract under Capital and Recurring heads as shown below:

(I) Payments:

Capital:

- PS(1)      i) Building and Services  
              ii) Equipments

Recurring:

- PS (2)      i) Pay of Officers and Establishment.  
              ii) Allowances.

- PS (3)                      Raw Materials.

- PS (4)                      Other Misc. Contingent expenditure.

Suspense for noting items like Sale Tax etc. received and paid to the Government.

(II) Deposits & Advances:

- a) Receipts
- i) Cost of articles sold
  - ii) Packing & Forwarding charges
  - iii) Other Misc. receipts.
- b) Advances & Loans: Loans received from the CSIR. Deposits made in advance by Purchasers. Loan account shall be maintained separately.

(III) Sequence The above heads may be supplemented according to the requirement of the project.

For the compilation of the Commercial accounts the following subsidiary accounts and records may also be maintained and necessary columns opened according to the requirement of the project:

- a) Registers of fixed assets e.g. one for buildings, one for plant and machinery and another for other fixed assets. There should also be a history sheet for each machine.
- b) Register for current assets viz. Transport etc.
- c) Stock and Stores Ledgers for receipt and issue of Raw Materials, Tools and Plants and all other stores with value accounts.
- d) Purchase Day Book, Sales Day Book.
- e) Personnel Ledgers.
- f) Bill Book showing the supplies made and services rendered to other parties.



- g) A ledger of manufactured products for noting receipt of finished products and issue for sales.
- h) A manufacturing account and a trading and profit and loss account and a balance sheet in order to ascertain the working results of the scheme for each financial year.
- i) Job Card in the form prescribed in the Manual of Instructions for purchase and maintenance of stores.
- j) Depreciation Account: The amount of depreciation being worked out at the current rates.
- k) Interest Account: In case the advance bears an interest.
- l) The loans so granted will be refundable in instalments (for which the period is to be specified).
- m) Receipt and expenditure of the Revolving Fund Scheme will be depicted in the monthly consolidated account of the laboratory concerned as proforma account under "D-deposit" head.

( No. 25/8/75-L dated 21st May 1976).

#### XI. NRDC GUIDELINES FOR FINANCIAL COLLABORATION FOR SETTING UP PILOT PLANTS, PROTOTYPE UNITS, DEMONSTRATION PLANTS, CONDUCTING LARGE SCALE COMMERCIAL TESTS AND PREPARATION OF FEASIBILITY REPORTS

##### Setting up pilot plants and demonstration plants and making prototypes in collaboration with industry or by NRDC.

- i) NRDC collaborates on developmental projects when these projects are identified as projects of national importance.
- ii) An estimate is made of the total costs involved in achieving the objectives of the developmental projects i.e., establishment of a pilot plant, demonstration plant, building of prototype etc.
- iii) NRDC usually contributes upto 50% of the total expenditure involved in the execution of the development project. The other 50% has to be paid by the collaborating company.
- iv) When the project is successfully completed, NRDC expects the collaborating company to pay back to NRDC the amount spent by it on the project.
- v) The process so developed is then licensed to the collaborating company on a non-exclusive basis on mutually agreed terms.
- vi) If the process is licensed to other parties, a portion of the Premium and Royalty collected from such parties may be given to the collaborating company.

- vii) If the project is not successful, the assets of the project are sold off and the proceeds divided between the collaborating company and NRDC as per contract and the balance expenditure shall be written off by the respective parties.
- viii) NRDC may consider financing in full in the following cases:
  - a) Where the laboratory/institute is not in a position to meet the expenditure from their own resources.
  - b) Where no industry is willing to collaborate in the venture.
- ix) The proposal shall be submitted in the prescribed proforma (Appendix-XXI)

## 2. Large Scale Commercial Tests:

NRDC will offer financial help in the following cases:

Where a large number of samples or a large quantity of product is needed for making consumer acceptability trials, NRDC offers financial assistance for conducting such large scale trial runs, if suitable facilities are available.

## 3. Feasibility Reports:

For processes which need detailed feasibility reports and detailed engineering before they are commercialised, CSIR/NRDC would bear the charges for the same either fully or in collaboration with a participating industry.

## XII. PARTICIPATION OF THE NRDC IN THE EQUITY CAPITAL OF INDUSTRIES BASED ON INDIGENOUS TECHNOLOGY

National Research Development Corporation of India is permitted to participate in the equity capital of the Companies, which are set up for the commercialisation of indigenous technological development subject to the following conditions:-

1. NRDC should participate in the equity of only public limited companies, whose total capital investment is of the order of Rs.50 lakhs or more.
2. The equity participation should be restricted to the first commercial plant based on the technology given by the NRDC and only to cases where the process has not gone through the stage of a demonstration or pilot plant:
3. The equity participation must only be in companies which are specially established for exploiting the NRDC knowhow and not in any multi-activity companies.
4. The company in question must be willing to have a representative of the NRDC on its Board of Directors, so as to enable the Corporation to safeguard its interests.
5. The equity participation by NRDC in any individual company should not exceed 26 % of the total equity of that company or 15 % of its own paid up share capital.



6. The total equity participation by the NRDC in the equity capital of all other companies at a given time shall not be more than 50% of its own paid-up share capital.
7. NRDC's participation in equity capital will not be in lieu of cash payment for charges for knowhow, royalty, premia etc. which will have to be paid by the commercial ventures separately.
8. NRDC's participation in equity capital will not count as promoter's equity.
9. When the company is progressing well, NRDC should dispose of its shares in public and need not continue to be a partner, because the objective of translating indigenous technology to a commercial venture would have been achieved.
10. When the venture has progressed well and the NRDC decides to pull out, its equity shares will be offered first to the public sector financial institutions before being offered to the general public.

### XIII. SCHEME FOR PROVIDING FACILITIES TO CSIR SCIENTISTS/TECHNOLOGISTS/ENGINEERS FOR SETTING UP INDUSTRIES

#### Aims and Objects:

The Scheme envisages that CSIR employees-scientists, technologists and engineers-individually or in association with others may be permitted to set up industries based on CSIR know-how for commercial utilisation and for exploitation of researches carried out by the CSIR for industrial development. The purpose of permitting scientists/technologists/engineers to set up industries based on CSIR know-how is to create a cadre of entrepreneurs-to experiment with new ideas and methods of organisation and to facilitate transfer of technology.

#### Scope:

1. The Scheme will be applicable to scientists/technologists/engineers of the CSIR who (i) permanent in the service of CSIR, (ii) temporary but have rendered more than 3 yrs service under the Council.

The Scheme will not be applicable to temporary employees with less than three years continuous service and re-employed pensioners.

2. It has been decided to extend the scheme to the officers appointed on contract subject to following conditions:

- (a) Only such of the scientists/technologists/engineers who have put in not less than 3 years service shall be eligible for the benefit under the scheme.
- (b) The period of extra-ordinary leave will be limited to the remaining period of their contract.
- (c) Such officers will have to furnish an undertaking to service the CSIR on return from EOL granted to them for a period of not less than 3 years

whether on contract or otherwise and the undertaking will be in the form of a bond to be executed on the stamp paper of appropriate value.

- (d) In cases where the scientist/technologist/engineer granted leave under the scheme, seeks voluntary retirement or resigns after the expiry of the leave, the bond will become inoperative.

Draft bond to be executed by the scientists/technologists/engineers in such cases is enclosed (Appendix XXII) (letter No. 23(17)/75-LPtVI dated 29.4.1977).

3. Under the Scheme a scientist/technologist/engineer would be free to choose either a process developed by him or any other process of CSIR Laboratories/Institutes that he may like to productionise.

#### Benefits:

1. A scientist/technologist/engineer permitted to set up an industry under this scheme will be granted extraordinary leave for a period of three years on the analogy of the Ministry of Finance (Department of Expenditure) Office Memorandum No. 11(1)-E.II(B)/69 dated the 25th June, 1970.

2. During the period of leave, they shall pay pension/employer's share of contribution, if on C.P.F. to the CSIR as payable under the provision of Fundamental Rules by Government servant sent on deputation on foreign service.

3. The scientist/technologist/engineer can avail of the facility of use of pilot plant and other equipment etc. against suitable charges that the Laboratory/Institute may levy. The decision of Director of a Laboratory/Institute as to the equipments that can be allowed to be used and the charges therefor shall be final and binding.

#### Conditions:

1. The CSIR will not give any financial help to the scientist/technologist/engineer for setting up industries. The scientist/technologist/engineer should find their own resources for setting up the industries. The CSIR will also not be responsible for any profit or loss which will be the sole responsibility of the individuals. However, the scientist/technologist/engineer will be allowed to retain in toto any profit made in the venture.

2. On expiry of the maximum leave of three years, the scientist/technologist/engineer will have to either join back the service of the CSIR or will have to resign his post under the CSIR or seek voluntary retirement as permissible under the rules (Reference letter No. 16(198)/72-E.I dated the 3rd June, 1974).

3. There is no objection in permitting the Scientist/Technologists/Engineer granted extraordinary leave for 3 years under the above scheme to join duty any time before completing 3 years. The concerned Scientist/Technologist/Engineer may be asked to submit a detailed report within one month from the date of his joining giving details of his proposal, action taken by him, difficulties faced and reasons for re-joining before the expiry of the leave. A copy of the report may be sent to Chief, Technology Utilisation, CSIR.

(Letter No. 23/17/74-L dated the 21st Aug. 1976)



4. The Scientists granted leave under the above scheme may be allowed a time limit for 3 months for proceeding on leave and another 3 months for signing of know-how agreement with the NRDC/Laboratory. The time limit could be extended by another 3 months by the CSIR on receipt of a specific request from the person concerned giving reasons for the required extension. In the absence of such a request for extension or in the event of request not being agreed to, the leave granted may be cancelled and the applicant may be advised to join and apply again when he has made adequate preliminary arrangements.

5. While there is no objection to the scientists taking any advance steps for setting up their industries i.e. negotiations with NRDC, application for allotment of land, application for grant of loan etc., he should sign the legal agreement with the NRDC only after he has proceeded on leave.

6. The licence agreement with the NRDC of India/Laboratory may be executed in any of the following manners:-

a) the licence agreement may be in the name of the scientist/technologist/engineer who has been granted leave

OR

b) the licence agreement may be in the name of the firm where the concerned Scientist/Technologist/Engineer is a partner

OR

c) the licence agreement may be in the name of any other partner of the firm

7. The Scientist sanctioned leave under the scheme, should not be permitted to draw monthly salary as 'employee' from the firm. He is entitled to a share from profits. It is not necessary for the scientist/engineer concerned to take direct financial participation with the company but he should be a partner.

8. Requests from Scientists sanctioned leave under the scheme, for (a) permission to take up consultancy work before and/or after starting production; and (b) taking up production of other products not covered under the Scheme, may be referred to CSIR for clearance. (Letter No. 23/17/74-L dated the 27th Aug. 1976).

9. Since the grant of leave under the above scheme can not be deemed to be solely in the interest of the Laboratory/Institution, the period of extra ordinary leave granted under the scheme will not count for purposes of reckoning the five years service under the provision of erst-while Bye-Law 71(b) for assessment for promotion (Letter No. 16(198)/72-E I dated 3.2.1977).

10. Grant of earned leave/leave on half average pay is due and admissible to the scientist concerned in combination of the extra-ordinary leave to be availed of under the above scheme is also not permitted (letter No. 23(17)/75-L Pt IV dated 29.4.1977).

11. The period of extra-ordinary leave availed of under the scheme, to set-up industry, will not count for purposes of annual increments. (Letter No. 23(17)/-Pt VI dated 3.8.1977).

12. While forwarding proposals for grant of EOL from Scientists etc, the laboratories shall ensure that in the event, of his leave being sanctioned and his

proceeding on leave, the laboratory will be in a position to release the technology to other parties as may be licensed by the NRDC of India. (Reference letter No. 23(17)/74-L-VI dated 14th April 1981).

#### Specialised items of equipment:

The specialised items of equipment available in the laboratories which are required to set up industries under the scheme can be sold/disposed of any interested party on the basis of current value, subject to the approval of the Executive Committee. Special permission of the concerned authorities should be obtained in the case of imported items.

(Reference Letter No. 23/17/74-L dated the 19th April, 1975 ).

#### Procedure:

The application for grant of leave shall be submitted in the proforma (Appendix XXIII) to the Chief, Technology Utilisation, CSIR through the Head of the Laboratory concerned. Complete applications with required certificate/recommendations of the Head of the Laboratory/Institute may be sent in triplicate to the Chief, Technology Utilisation, CSIR.

( Reference Letter No. 23/17/74-L dated the 21st October, 1974 ).

The National Laboratories/Institutes while forwarding applications of scientists etc. for grant of leave under the above scheme, may also certify that in the event scientist being sanctioned leave, the Lab/Instt. will be in a position to give details of the process and other technical assistance to the parties who have been or will be given licence by the NRDC for commercial exploitation of the process.

( Letter No. 23(17)/74-L dated 13.1.1977 ).

#### Share from profits/salary from the firm

The question whether a scientist sanctioned leave under the scheme can draw a monthly salary from the firm he has established or he may be entitled only to a share from the profits has been re-examined. It has been approved that the scientist concerned can accept salary from the firm provided he is shown as a partner in the partnership agreement. He can not draw salary as an employee of the firm. It is further clarified that a scientist can draw fee/salary for attending duties as Director on the Board of Directors of the Company formed for utilisation of CSIR technologies (letter No. 23(17)/74-L dated 5.11.77 ).

#### Resuming duty before the expiry of leave

1. During the absence of a Scientist on 3 year's extra ordinary leave, the Laboratories may be filling their vacancies. If the Scientist asks for permission to resume duty after cancelling his leave, he should give adequate notice to the Director of the Laboratory/Institute so that there may not be any administrative inconvenience in making the necessary arrangements. The position may also be intimated by the Directors of the Laboratories to the CSIR with their recommendations for giving them permission to resume duty (letter No. 23(17)/74-L dated 13.1.1977 ).



2. The concerned scientist resuming duty may be asked to submit detailed report within one month from the date of his joining. A copy of the report in the prescribed form (Appendix XXIV) together with the views and recommendations of the Director may be sent to Chief (TU), CSIR for record (letter No. 23(17)/74-L dated 19.1.1977).

#### XIV. ENGAGING CONSULTANTS BY CSIR LABORATORIES/INSTITUTES

- 1.1 Sometimes the Laboratories or Institutes of the Council may need the services of outside specialist/expert or specialised agency or Engineering Consultancy firm to have the benefit of their expertise for advice on a research project/programme or execution of specialised jobs. Such consultancy would normally be resorted to when the requisite expertise is not available within the organisation or needs to be supplemented.
- 1.2 Such expertise may be obtained either by acquiring the services of an individual specialist/expert or by engaging a consultant firm/agency. The following paragraphs provide general guidelines for engaging such consultants.

#### 2. Scope

Scope of consultancy obtained from outside agencies may be:

- a) to assist the laboratory in specialised programmes/areas of work and to plan facilities and line of approach to any special problem/project.
- b) to assist in the up-scaling of know-how/process, project engineering and product development.
- c) to undertake preparation of techno-economic feasibility/design engineering/project reports on the basis of know-how developed by the Laboratory/Institute.
- d) to evaluate the techno-economic and commercial feasibility of a process/product developed by the Laboratory.
- e) to undertake design/fabrication of an equipment, machinery or a part thereof.
- f) to help in making plant outlay, machinery selection, design engineering for any pilot plant/experimental plant-demonstration Unit.
- g) to obtain commercial, techno-economic, market and project cost data for inclusion in the feasibility/project reports to be prepared by the Laboratory/Institute.

#### 3. Terms of Consultancy:

- 3.1 The consultancy shall be for specific job assignment, detailing the area of work.
- 3.2 The consultancy shall be against lumpsum fee. The mode of payment, instalments, if any, and their relation to performance stages will be specified.

3.3 Whenever necessary, the period may also be specified.

3.4 The terms for payment of TA/DA to experts/staff shall be pre-decided and specified.

#### 4. Agreement:

4.1 Where the consultant is a Government Agency/Organisations, the terms may be settled through correspondence. Formal agreement on legal paper may not be necessary. In case of individual experts or private consultant firms, formal agreement would be necessary. A model form of agreement between the CSIR and the consultant is given at APPENDIX-XXV.

4.2 The agreement should specify the following:

- a) Details of job assignment to be undertaken by the consultant.
- b) Details of assistance and data to be provided by the laboratory.
- c) Amount of fee to be paid and mode of payment giving the value and periodicity of instalments, if any.
- d) Period, if any.
- e) Terms of payment of TA/DA of consultant/their staff.

4.3 The agreement shall include a secrecy clause including an undertaking from the consultants that they or their associates would not disclose the details of the process to any individual or party other than those to whom the CSIR/Laboratory would desire to do so. The consultants will also not correspond with or communicate to any learned society or journal in this regard.

4.4 The agreement shall include a clause specifying that the consultants do not have any claim on the receipts consequent to the exploitation of know-how or the design.

4.5 The agreement should include a clause for arbitration in the event of any dispute arising out of the proposed consultancy.

4.6 The services of Technical Division concerned and the Law Officer at the Headquarters will be available for assistance in the finalisation of agreement.

#### 5. Sanction for engaging consultants:

Sanction for engaging consultants shall be given by the Executive Committee of the Laboratory or Institute. The Executive Committee shall also approve the selection of a suitable consultant, its terms of appointment etc.

#### 6. Signing of agreement:

The agreement may be signed by the Administrative Officer and/or Accounts Officer of the Laboratory/Institute on behalf of the C.S.I.R.

(Circulated vide CSIR letter No. 2/88/70-CDN dt. 30.9.1972).



## XV. ISSUE OF STORES, UNDERTAKING WORKSHOP JOBS ETC. FOR OUTSIDE PARTIES

The Directors of the Laboratories may issue stores and recover cost thereof upto the limit upto which they are competent to dispose of stores or write off losses. The issue of stores of value exceeding this limit, would require sanction of the Director General and such cases may be referred to the Headquarter for obtaining prior approval of the DGSIR.

As regards the rates for the recovery of the cost of stores which may be issued in this connection, the recovery is to be effected at the book value of such stores plus 2 1/2% on account of storage and contingencies and 10% on account of supervision charges or the prevailing market rate whichever is more.

(Letter No. 2/8(11)/58-PC dated 31st May, 1958).

### Issues of stores as a part of effort for Transfer of Technology

Where with a view to help the licensed firms in the commercialisation of the process/know-how, the Laboratories/Institutes issue components, sub-assembly or a proto-type as a part of effort of transfer of technology, value as assessed by the Director keeping in view the market price of the materials so issued be recovered from the concerned party.

(Letter No. 1/CEERI/35/74-L dated the 4th April, 1975).

## XVI. TESTING AND ANALYSIS

The Governing Body of the CSIR, at its meeting held on the 21st Sept. 1977, considered the question of allowing concession on approved schedule of charges for testing and analysis undertaken by CSIR Laboratories and recommended that testing and analysis work for other organisation/parties may be undertaken by the CSIR Laboratories/Institutes on the following basis:

|      |  |   |  |
|------|--|---|--|
| i)   | Central and State Government Department.                         | ) | To be charged as per approved schedule of charges. |
| ii)  | Public Sector Undertakings.                                      | ) |  |
|      |  | ) |  |
| iii) | Private industries other than registered small scale industries. | ) |  |
|      |  | ) |  |
| iv)  | Universities.  | ) | A rebate of 33 1/3% may be allowed.                |
|      |  | ) |  |
| v)   | Registered Small Scale.  | ) |  |
|      |  | ) |  |
| vi)  | Cottage industries.  | ) | Services to be given free of charge.               |

The Governing Body at its meeting held on 20.12.1979 decided as under:

- (a) Where testing is part of technology transfer, the expenditure thereof should form part of terms and conditions specifically stating the number

of samples to be tested and the period over which they have to be tested. If visit/positing of scientist with industry and his TA/DA expenditure is involved, this should also be indicated. Such a provision, wherever required, shall be brought to the notice of the CSIR/NRDC and the NRDC will incorporate it suitably in the agreement. The charges for such testing will be payable by the licensee direct to the Laboratory.

- (b) Where testing facility is provided as technical assistance, in the initial stages of trial production, it may be given free of charge. However, in this case as well, it should be costed indicating the number of samples and the period for which this assistance will be available. The proposal for reference of the process to the NRDC submitted for the approval of the Executive Committee should indicate such assistance which will be provided to the licensees. (Letter No. 23/20/79-L dated 19/21 Jan. 1980.)



## APPENDICES

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CSIR-NRDC Agreement (1956 )

THIS AGREEMENT made this Twenty Seventh day of November 1956 BETWEEN the Council of Scientific and Industrial Research, a Society registered under the Societies Registration Act (XXI of 1860) (hereinafter called "the Society" which expression shall where the context so admits include its successors and assigns) of the one part and the National Research Development Corporation of India, a Company incorporated under the Indian Companies Act, 1913 (hereinafter called "the Corporation" which expression shall where the context so admits include its successors and assigns) of the other part:-

Whereas the Corporation has been established with the object, inter alia, of exploiting in the public interest, for profit or otherwise, inventions, whether patentable or otherwise of the Society including technical and engineering "know-how" of processes:

AND WHEREAS the Society has, subject to the reservations and exception hereinafter contained, agreed to entrust the work of the development and exploitation of such inventions, patents and technical and engineering "know-how" of processes to the Corporation:

AND WHEREAS the Society has agreed that it shall assign to the Corporation the sole and absolute right of the Society in various existing and future inventions, patents and technical and engineering "know-how" of processes aforesaid free from encumbrances TOGETHER WITH all the benefits and privileges of the monopoly or exclusive right to use and work the said inventions, patents and technical and engineering "know-how" of processes upon the terms and conditions hereinafter mentioned:

NOW THIS INDENTURE WITNESSETH THAT:

In pursuance of the said agreement and in consideration of the payment agreed to be made by the Corporation of the share of the royalties arising from the exploitation of such inventions, patents, and technical and engineering "know-how" of processes (such share to be determined from time to time by mutual agreement between the parties hereto) the Society hereby agrees to assign and transfer into the Corporation the sole and absolute rights of the Society in the existing inventions and patents free from encumbrances with the full and exclusive benefits and advantages thereof and of all and every improvement, extension or renewal thereof.

PROVIDED ALWAYS that this Agreement shall not apply to any inventions, patents and technical and engineering "know-how" of processes which for special reasons the Director General, Scientific and Industrial Research, in consultation with the Chairman of the Corporation decides to exclude from the purview of this agreement.

II The Society hereby covenants with the Corporation as follows:-

- a) the Society shall, whenever required, give to the Corporation such assistance and information respecting the said inventions, patents and technical and engineering "know-how" of processes and mode of working and using the same and all processes connected therewith as may be necessary; for enabling the Corporation to use and exercise the said patents, inventions to the best advantage.

- b) that the Society will whenever it makes or discovers any improvements upon any of the said inventions and patents or any further inventions relating to any of the said inventions and patents forthwith disclose the same to the Corporation who shall be entitled to the sole and exclusive benefit thereof and if and whenever required by the Corporation will give to the Corporation full particulars as to the nature of and mode of performing the same and will at the option of the Corporation apply and endeavour to obtain patents in respect of such improvements or further inventions and when and if the same shall be obtained will execute and do all instruments, acts and things necessary for investing the same and the full and exclusive benefit thereof in the Corporation.
- c) that the Society will at the expense of the Corporation do all such acts and things as may be reasonably required by the Corporation for enabling it to obtain and enjoy the exclusive benefit of any extension or further grant of any patents for the time being vested in the Corporation by virtue of any deed of assignment.
- d) the Society will at its own expense take all necessary steps for obtaining patents for future inventions as the Society may decide (as to which the decision of the Society shall be final) and will assign the said future patent when granted to the Corporation and do all other acts and things necessary for vesting the said patents in the Corporation.
- e) the Society shall pay the renewal fees and do all such acts and things as may be necessary to maintain and keep in force such existing and future patents as are recommended by the Corporation for renewal from year to year and which in the opinion of both the parties should be kept alive or renewed;
- f) in the event of any of the aforesaid patents being infringed, the Society shall, if so required by the Corporation, render full assistance to the Corporation but at the expense of the Corporation, in such legal proceedings as the Corporation, may deem it necessary to take to prevent any such infringement and the Society shall, if so required by the Corporation, use its best endeavours to assist the Corporation but at the expense of the Corporation to defend any counter claim for the revocation of the patent and to contest any plea alleging its invalidity;
- g) the Society shall assign to the Corporation all the licence agreements which the Society as grantors has entered into with various licencees and the full benefit and advantage thereof.

III. It is hereby expressly agreed by and between the Corporation and the Society that if any dispute, doubt or question shall at any time hereafter arise between the Society and the Corporation touching and concerning the construction, effect or meaning of these presents or of any matter contained herein or their respective rights and liabilities hereunder, then and in such an event, every such dispute, doubt, or question shall be referred to the sole arbitration of an arbitrator appointed by agreement between the Society and the Corporation and failing such agreement to the sole arbitration of an arbitrator appointed by the Government of India and this clause shall be deemed to be an agreement for submission to arbitration within the meaning of the Indian Arbitration Act 1940 with such statutory re-enactment or modification thereof as shall from time to time be made.





PROFORMA FOR INFORMATION REQUIRED ON PROCESSES  
TO BE RELEASED FOR COMMERCIAL EXPLOITATION THROUGH  
N. R. D. C.

1. Name of the process /machine /component /instrument.
2.
  - (a) Products
  - (b) Co-products & by products, if any.
3. Uses of products /by products /machine /component /instrument.
4.
  - a) Present consumption pattern /sale potential
  - b) How is the demand being met?
    - i) Indigenous production
      - a) By whom
      - b) Quantity
    - ii) Imports
      - a) Source
      - b) Quantity
  - c) Estimated future demand
  - d) Present market price
5. Process
  - a) Detailed description of the process /machine /component /instrument.
  - b) Flow sheet /drawing.
6. Laboratory and /or preliminary work.
  - a) Scale of investigation
  - b) Can you supply adequate quantity of samples to entrepreneurs?
  - c) Quantity of product prepared
  - d) Data of laboratory /preliminary investigation



7. a) Any work done on pilot plant  
if yes:- Yes/no
- i) Capacity of the pilot plant
  - ii) Duration of pilot plant investigation
  - iii) Design data collected, e.g. consumption of raw materials & utilities, operating conditions, yields, materials of construction, man power requirement etc.
  - iv) Whether the pilot plant is still in operation. If so, could it be demonstrated to prospective entrepreneurs?
- b) Have any prototypes been made. If so details may be given.
8. Quality of products
- a) Specifications of the products, I.S. or others.
  - b) Have the products been tested to conform to the specifications?
  - c) Consumer acceptability report on the products.
9. Prototype/commercial Plant
- a) Suggested optimum plant capacity
  - b) Layout of the plant indicating.
    - i) Land required for plant and buildings
    - ii) Land required for storage of raw materials finished products.
10. Raw Materials
- a) Specification of raw materials
  - b) Their availability
    - i) Indigenous
    - ii) Imported
11. Equipment for commercial production
- a) List of all major equipment/machines alongwith approximate specifications.

- i) Indigenous
    - ii) Imported
  - b) Likely suppliers
12. Economics of the prototype/commercial plant  
(as per proforma for predesign cost estimates)
    - a) Fixed capital on building
    - b) Fixed capital on plant/shop
    - c) Working capital
    - d) Cost of production
    - e) Profitability, taking into account prevailing prices  
of the products, imported and/or indigenous.
  13. What quality control procedure and facilities are required?
  14. Safety consideration, if any.
  15. Waste or effluents and pollution problems, if any and  
suggestions for tackling the same.
  16. Copy of the complete patent specifications, if process/  
machine is patented.
  17. Any restriction/difficulty anticipated in the implementation  
of the project.
  18. Have you any suggestion regarding the amount or premium  
to be collected and the rate of royalty?
  19. Do you know of any party showing or likely to show interest  
in the process, product/machine/component.
  20. Any other points not covered by the above which the institute  
likes to bring out.



NRDC PROFORMA FOR PREDESIGN COST ESTIMATES  
(Chemical Plants)

Name of the Project: \_\_\_\_\_

Products      a) \_\_\_\_\_ b) \_\_\_\_\_  
                  c) \_\_\_\_\_

Capacity:    a) \_\_\_\_\_ per day ( \_\_\_\_\_ shifts)  
                  b) \_\_\_\_\_ per day ( \_\_\_\_\_ working days)

I. CAPITAL INVESTMENT:

A. Fixed Capital on Building

- a) Land
- b) Yard improvements etc.
- c) Building

Fixed Capital on Building (Total A) ..... \_\_\_\_\_  
\_\_\_\_\_

B. Fixed Capital on plant

1. Purchased equipment, delivered, (PE) (cost should include freight and handling charges until the equipment is received at site. These charges may be 2 to 4% of equipment cost).

2. Equipment erection (including foundation, structural etc. ).

Simple plant  
25 %-30 % of PE  
Complex plant  
30 %-40 % of PE

3. Processing piping

Low: Solids processing plant, about 15% of PE  
Average: Mixed processing plant, about 30% of PE  
High: Fluids processing plant, about 65% of PE

4. Insulation

(When very high or very low temperature are involved) about 8%  
of PE

5. Electrical installation, 10% - 15% of PE

6. Instruments & controls, 5% - 10% of PE
7. Water services & drainage, 5% - 10% of PE
8. Laboratory
9. Workshop
10. Boiler plant (Rs. 120 per kg. per hour including generation and distribution).
11. Engineering & supervision 20% to 30% of PE
12. Contingency, 15% of fixed capital plant  
(Items 1 to 11) \_\_\_\_\_
- Fixed capital on plant (Total B) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- Total fixed Capital ( A + B ) .....
- C. Working Capital  
(25% on Annual sales or 90 days' manufacturing cost) \_\_\_\_\_
- Total Capital Investment ( A + B + C ) .....

## II. COST OF PRODUCTION:

A. Manufacturing Cost (Easis ..... Working days per annum)

|  | Unit | Unit | Qty. Reqd. | Annual |
|--|------|------|------------|--------|
|  |      | Cost | per annum  | Cost   |

### 1. Raw materials:-

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

### 2. Utilities:-

- |    |                       |          |       |                        |
|----|-----------------------|----------|-------|------------------------|
| a) | Electric power :      | KWH      | 00.12 | )                      |
| b) | Steam :               | Tonne    | 20.00 | )                      |
| c) | Process water :       | 1000gln. | 4.50  | ) N.E. Rates given     |
| d) | Cooling water         |          |       | ) are only indicative. |
|    | (recirculation) :     | 1000gln. | 0.35  | ) Accurate figure if   |
| e) | Raw water :           | 1000gln. | 2.00  | ) available may be     |
| f) | Fuel (coal, oil etc.) |          |       | ) given.               |



3. Labour & supervision ( L & S )
4. Maintenance & repairs:-
  - a) Plant:
    - 5 % - 7 1/2 % of IB for normal plants
    - 10 % - 15 % of IB for corrosive plants
  - b) Building: 2 % of IA
5. Operating supplies:
  - 15 % of maintenance & repairs
6. Taxes & insurance, 2 % of total fixed capital (A+B).
7. Plant overhead:
  - includes cost of general plant overhead, payroll overhead, packaging, medical services, safety & protection, laboratories, storage facilities etc. ) 50-70 % of L&S and maintenance and repairs)
8. Depreciation:
  - Plant: 10 % of IB for normal plants: 20 % of IB for corrosive plants.
  - Building: 2.5 % of IA.

Manufacturing cost (Total 1-8) .....

---

B. General Expenses:

1. Administrative expenses:
  - 2 % of sales or 3 % of manufacturing cost
2. Distribution and selling costs:
  - 5 % of sales or 7 % of manufacturing cost
3. Interest on capital investment 9 % per annum

General expenses (Total 1-3) .....

---

Total cost of production (A+E) .....

---

Less revenue through sale of by  
products (C)

---

Annual cost of production  
(A+B-C) cost per unit

### III. PROFITABILITY:

1. Selling price per unit
2. Gross annual income
3. Annual cost of production
4. Annual return (item 2 - item 3)
5. Tax on earnings
6. Return on investment  $\frac{(\text{item 4} - \text{item 5}) \times 100}{\text{Total Capital Investment.}}$

### APPENDIX - V

#### NRDC PROFORMA FOR PREDESIGN COST ESTIMATES (Electrical, Electronics & Instruments Plant)

Name of the Project: \_\_\_\_\_

Products: a) \_\_\_\_\_ b) \_\_\_\_\_  
c) \_\_\_\_\_

Capacity: a) \_\_\_\_\_ per day (of \_\_\_\_\_ shifts)  
b) \_\_\_\_\_ per day ( \_\_\_\_\_ working days)

### I. CAPITAL INVESTMENT

#### A. Fixed Capital on Building

- a) Land
- b) Yard improvement etc.
- c) Building

Fixed Capital on Building ( Total A)..... \_\_\_\_\_  
\_\_\_\_\_

#### B. Fixed Capital on plant

1. Purchased equipment, delivered, (PE) (cost should include freight & handling charges until the equipment is received at site. These charges may be 2 to 4% of equipment cost. Imported & indigenous equipment should be listed separately).
2. Equipment erection (including foundations, structural etc.).

Simple Plant  
2% - 5% of PE

Complex Plant  
5% to 10%



3. Electrical installation, 2% to 5% of PE
4. Laboratory
5. Workshop
6. Provision for any other special requirements.
7. Engineering & Supervision 20% to 30% of PE
8. Contingency, 15% of fixed capital on plant  
(Items 1 to 7)

Fixed capital on plant (Total B).....

Total Fixed Capital (A+B) ...

- C. Working Capital  
(25% on Annual sales or 90 days' manufacturing cost)

Total Capital Investment (A+B+C).....

## II. COST OF PRODUCTION:

- A. Manufacturing Cost (Basis ..... working days per annum)

| Unit | Unit cost | Qty. reqd. per annum | Cost |
|------|-----------|----------------------|------|
|------|-----------|----------------------|------|

1. Raw materials:-

(Imported & indigenous materials should be shown separately)

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

2. Utilities:-

Rs.

- |                                  |           |       |  |
|----------------------------------|-----------|-------|--|
| a) Electric power:               | KWH       | 0.12  | N. B. - Rates given are only indicative. Accurate figures if available may be given. |
| b) Steam:                        | Tonne     | 20.00 |  |
| c) Process water:                | 1000 gln. | 4.50  |  |
| d) Cooling water (recirculation) | 1000 gln. | 0.35  |  |
| e) Raw water                     | 1000 gln. | 2.00  |  |
| f) Fuel (coal, oil etc.)         |           |       |  |

3. Labour & supervision (L & S)

4. Maintenance & repairs:-

- a) Plant:

5% - 7-1/2% of IB for normal plants

10% - 15% of IB for corrosive plants.

- b) Building: 2% of IA

5. Operating supplies.  
15% of maintenance & repairs.
6. Taxes and insurance, 2% of total fixed capital (A+B).
7. Plant overhead:  
(includes cost of general plant overhead, payroll overhead, packaging, medical services, safety & protection, laboratories, storage facilities etc.) 50-70% of L&S and maintenance and repairs.
8. Depreciation:  
Plant: 10% of IB for normal plants. 20% of IB for corrosive plants  
Building: 2.5% of IA  
Manufacturing cost (Total 1 to 8) .....

B. General Expenses:

1. Administrative expenses.  
2% of sales or 3% of manufacturing cost
2. Distribution and selling cost;  
5% of sales or 7% of manufacturing cost
3. Interest on capital investment 9% per annum

General expenses (Total 1 to 3) -----  
-----  
Total cost of production (A+B) -----  
-----  
Less revenue through sale of -----  
by products (C) -----  
-----  
Annual cost of production (A+B-C) -----  
-----

III. PROFITABILITY:

1. Selling price per unit
2. Gross annual income
3. Annual cost of production
4. Annual return (Item 2 - Item 3)
5. Tax on earnings
6. Return on investment  $\frac{\text{Item 4} - \text{Item 5}}{\text{Total Capital Investment}} \times 100$



PROFORMA REGARDING  
DOCUMENTS AND ASSISTANCE TO BE GIVEN TO LICENSEES

(The document, assistance and data proposed to be offered in the know-how package may be tick marked in the proforma and the appendices).

Name of the Laboratory

1. (a) Title of the Process/Product  
(b) Patent No. /s.

2. Stage at which the process is being offered:

A. Chemical & Allied Processes

- a) Laboratory scale
- b) Process know-how with Basic design.
- c) Process know-how with detailed design.
- d) Process know-how with Detailed Design & Project Engineering (Turnkey Basis).

B. Instrumentation/  
Equipment/Plants.

- a) Design stage
- b) Prototype stage.

3. Documents to be given as part of know-how:

- i) Patent specifications.
- ii) Technical Reports:

Atleast (a) and (c) of the following should be given.

- a) Feasibility Report (Annexure A)
- b) Detailed Project Report (Annexure B)
- c) Process Package including Basic Design (Annexure C)
- d) Process Package including Detailed Design (Annexure D)
- e) Design Book (for instruments/equipment/machinery) (Annexure E).

- iii) Any other document (Please specify).

4. Assistance:

a) Demonstration

- i) Scale of demonstration.
- ii) Number of batches and period
- iii) Raw material to be supplied by Laboratory/Licensee.

- b) Training
  - i) Number of trainees
  - ii) Qualifications & background of trainees.
  - iii) Period of training.
- c) Supply of samples/prototype.
  - i) Quantity of sample/s or number of prototype to be supplied.
  - ii) Free of charge or cost to be borne by licensee.
- d) After sales service (if visits are involved TA/DA at actuals will be borne by the licensee)
  - i) Advice regarding site selection, procurement and selection of machinery, raw material and plant layout.
  - ii) Visit of scientist/engineer at site/work till the process goes into production.
- e) Assistance which will be given to licensee under separate agreement to be negotiated between licensee and CSIR/Laboratory. These will be charged for separately.
  - i) Detailed project report for the desired capacity.
  - ii) Basic engineering design.
  - iii) Detailed engineering
  - iv) Assistance in design and fabrication of equipment/machinery.
  - v) Erection and commissioning of plant.
  - vi) Deputation of a scientist/engineer to work for a specified period.
  - vii) Any other assistance (Please specify).

#### ANNEXURE - A

#### TYPICAL CONTENTS OF FEASIBILITY REPORT

- 0. Summary
- 1. Products & their application.
- 2. Demand potential
- 3. Manufacturing process.
- 4. Production Facilities.
- 5. Project Capital outlay & Scheme of Financing.
- 6. Working Capital.



7. Preconstruction Cost Estimates.
8. Return on Investment.
9. Appendices:
  - A - Specifications of major equipment and costs.
  - B - Cost of Land & Buildings.
  - C - Preliminary & Preoperative Expenses.

ANNEXURE - B

TYPICAL CONTENTS OF DETAILED PROJECT REPORT

0. Project at a Glance
1. Promotion
2. Products and their application
3. Demand Potential
4. Plant Capacity & Location.
5. Sales Strategy
6. Manufacturing Process
7. Production Facilities
8. Organisation & Management
9. Project Scheduling
10. Project Capital Outlay & Scheme of Financing
11. Working Capital
12. Profitability cash flow & Balance Sheet.
13. Concluding remarks.

14. Appendices:

A - Process Flow Sheet with Material Balance.

B - Site Plan

C - Plant layout with elevations

D - Specifications of Equipment with major dimensions and costs.

E - Cost of land & Buildings.

F - Preliminary and Pre-operative expenses.

ANNEXURE C

TYPICAL CONTENTS OF PROCESS PACKAGE (INCLUDING BASIC DESIGN)

INTRODUCTION

- i. Brief outline of use of product
- ii. Market survey

BASIS OF DESIGN:

- i. Capacity of the plant
- ii. Feed and products specification - Quality and Quantity.
- iii. Local regulations.
- iv. Definition of battery limits.

PROCESS DESCRIPTION:

- i. Chemistry of the process
- ii. Brief description of the process
- iii. Processing sequence with major operating conditions.

PROCESS FLOW DIAGRAM AND MATERIAL AND ENTHALPY BALANCES:

- i. Basic Process scheme indicating major equipment.
- ii. Direction of flow.
- iii. Material and enthalpy flow quantities around each unit.
- iv. Analysis, temperatures and pressures.



### GENERAL P & I DIAGRAMS:

Preliminary piping and instrumentation diagram without piping dimensions and without purge and drain connections, but including sizing information for piping only for critical points.

### UTILITY FLOW DIAGRAM:

Production and consumption figures and utilities.

### INSTRUMENT PROCESS DATA SHEETS:

- i. Specifications for equipment and machines including main dimensions.
- ii. Material of construction
- iii. Data necessary for mechanical design of the equipment.
- iv. Typical drawings where necessary.

### RECOMMENDATION FOR PLANT LAYOUT:

#### Information on Effluents:

- i. Quantity
- ii. Chemical analysis
- iii. Available information on disposal system, if any.

### TYPICAL PIPING SPECIFICATIONS:

- i. Main process flow lines
- ii. Materials of construction and corrosion allowance.
- iii. Critical pipe diameters.

### TYPICAL OPERATING INSTRUCTIONS:

#### Approval of Detailed Drawings:

First check and approval for process adequacy and operability of detailed design drawings for all columns, vessels, heat exchanger, furnace and reactors prepared on the basis of data sheets and specifications supplied under Process Engineering Package.





- v. Detailed pipe specifications giving type of pipe, material, valves and fittings to be used.
- vi. Material take-off.
- vii. Stress analysis on critical lines.

#### Instrumentation:

- i. Specification for basic instrumentation philosophy.
- ii. Instrument data sheets for control valve, safety valve and alarms giving details of design and operating conditions, materials of construction Code and specifications.
- iii. Instrument hook up drawings.
- iv. Panel layout drawings.
- v. Instrument cables & fittings schedule.
- vi. Design of all orifice plates & associated specifications.
- vii. Approval of vendors' drawings and specifications.

#### Equipment plot plan & Elevation:

- i. Location (coordinates) of all the equipment.
- ii. Foundation centre line.
- iii. Outline and location of structures & buildings.
- iv. Paved areas, walkways, and maintenance ways.
- v. Equipment elevation.

#### Civil & Structural:

- i. Basic design specification based on detailed site survey and site investigation.
- ii. Design of foundation for equipment, structural work and pipe racks.
- iii. Design of drainage system.
- iv. Civil & Structural specifications.
- v. Site plan & grading plan.

- vi. Design of steel structure
- vii. Bill of material.

Electrical:

- i. Contract specification for electrical design.
- ii. Single line distribution diagram for process unit and a comprehensive motor list and instrument electrical specification.
- iii. Detailed design of system including:
  - Short circuit study:
  - Layout of substation, power, lighting, earthing etc.
  - Static and lighting protection system
- iv. Emergency shutdown systems and associated power layouts including emergency power generator set.

General:

Insulation and painting specifications.

Startup, operating and shutdown manuals:

To be submitted after commissioning the plant.

ANNEXURE F

TYPICAL CONTENTS OF DESIGN BOOK  
(For Instruments /Equipment/Machinery)

- 0. Complete description of know-how.
- 1. List of components with their specifications.
- 2. Special components to be manufactured, if any, their specifications, material of construction, etc.
- 3. Assembly drawings or circuitary diagrams.
- 4. Assembly procedure.
- 5. Testing equipment and test procedures for components and final equipment.
- 6. Common faults and precautions.



NRDC DRAFT SECRECY AGREEMENT WITH CONSULTANTS

This Secrecy Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ 197 \_\_\_\_\_ BETWEEN the National Research Development Corporation  
of India, a Company registered under the Indian Companies Act and having its  
registered office at 61, Ring Road, Lajpat Nagar-III, New Delhi-110024 (hereinafter  
called "the Corporation" which expression shall where the context so admits include  
its successors and assigns) of the one part and \_\_\_\_\_  
carrying on business of consultancy as a proprietorship/partnership/company  
registered under the Companies Act, 1956 and having his/its/their office at \_\_\_\_\_  
\_\_\_\_\_  
(hereinafter called 'the Consultants' which expression shall where the context so  
admits, includes their representatives, heirs, executors, administrators and per-  
mitted assigns) its successors and permitted assigns of the other part :-

WHEREAS the \_\_\_\_\_ (hereinafter  
called 'the Research Institute' has developed a know-how for the manufacture of  
\_\_\_\_\_  
(hereinafter called the process')

WHEREAS the Corporation is in possession of and is entitled to full rights in  
the said process which information is not within the public domain or previously within  
the knowledge of the consultants.

WHEREAS the consultants have agreed to evaluate the said process.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. That the consultants shall receive and maintain all information as  
absolutely confidential.
2. That the consultants shall not disclose such information to any third  
parties without prior consent in writing of the Corporation.

3. That the consultants shall not use such information for any purpose other than evaluation of the process.
4. That any report made of the review by the consultants shall not contain any confidential information/disclosed.
5. That the consultants shall furnish or cause to furnish to the Corporation promptly on completion of evaluation a true copy of the report.
6. That the consultants shall not file any patent application in its own name or in the name of any other person or persons on any matter relating to the information disclosed.
7. That the consultants shall not upon receipt of information oppose or direct or cause any person to oppose or direct any patent application relating to the process filed by the inventors, research Institute, Council of Scientific and Industrial Research or the Corporation.
8. That when required by the Corporation the consultants shall return to the Corporation all the information received.
9. The consultants will pay to the Corporation 15% of the fees charged by them from each of their clients for preparation of any reports/proposals etc. in respect of the said process. The payment to the Corporation shall be made by the Consultants within fifteen days from the date of receipt of the fees either in full or in part from their clients. In case of foreign clients, the payment shall be made in the sterlings or dollars at the official exchange rate prevailing at that time.

In consideration of the above, the Corporation grants to designated representatives of the consultants access to the results of research carried out by the Institute in respect of the said process.

The agreement shall be construed, interpreted and enforced according to the laws of the Republic of India.

Accepted and Agreed  
Consultants

National Research Development  
Corporation of India

Title:

Title :

Secretary

Witness:

1) \_\_\_\_\_

2) \_\_\_\_\_

Witness: -

1) \_\_\_\_\_

2) \_\_\_\_\_



## NRDC DRAFT SECRECY AGREEMENT

This Secrecy Agreement is made this \_\_\_\_\_ days of \_\_\_\_\_ 197\_\_\_\_ BETWEEN the National Research Development Corporation of India, a Company registered under the Companies Act and having its registered office at 61, Ring Road, Tajpur Nagarpalli, New Delhi-110024 (hereinafter called 'the Corporation') which expression shall, where the context so admits, include its successors and assigns) of the one part and \_\_\_\_\_ carrying on business as a proprietorship/partnership/ company registered under the companies act, 1956 and having its/his/their office at \_\_\_\_\_ (hereinafter called 'the Grantee' which expression shall where the context so admits includes their representatives, heirs, executors, administrators and permitted assigns) its successors and permitted assigns of the other part:

WHEREAS \_\_\_\_\_ (hereinafter called 'the Research Institute') has developed a know-how for the manufacture of \_\_\_\_\_ (hereinafter called 'the process').

WHEREAS the Corporation is in possession of and is entitled to full rights in the said process which information is not within the public domain or previously within the knowledge of Grantee.

WHEREAS the Grantee has appointed \_\_\_\_\_ to evaluate the said process;

WHEREAS the Corporation have agreed for evaluation of said process by \_\_\_\_\_ (hereinafter called 'the Consultants') subject to consultants executing the agreement of secrecy:-

NOW THIS DEED WITNESSETH as follows:-

1. That the Grantee shall receive and maintain all information received from consultants as absolutely confidential.
2. That the Grantee shall not disclose such information to any third parties without prior consent in writing of the Corporation.
3. That the Grantee shall not use such information for any purpose other than deciding whether it should enter into a licensing agreement with the Corporation for commercial exploitation of the process or not.
4. That the Grantee shall not file any patent application in its own name or in the name of any other person or persons for any matter relating to the information disclosed.
5. That the Grantee shall not upon receipt of information oppose or direct or cause any person to oppose or direct any patent application relating to the process filed by the inventors, the Research Institute, Council of Scientific & Industrial Research or the Corporation.
6. That in the event of the Grantee deciding not to take the licence referred to in paragraph 3 above within 9 months from the date of this agreement, the Grantee shall return to the Corporation all material documents relating to the information received.

In consideration of the above, the Corporation grants to the Consultants access to the results of research carried out by the Research Institute in respect of the said process and to their furnishing to the Grantee a report without containing any confidential information.

The agreement shall be construed, interpreted and enforced according to the laws of the Republic of India.

Accepted and agreed,

Grantee

Title:

Witness:

Title

1) \_\_\_\_\_

2) \_\_\_\_\_

National Research Development  
Corporation of India

Secretary

Managing Director

Witness:

1) \_\_\_\_\_

2) \_\_\_\_\_



Proforma to be signed by the Laboratory and the  
Licensee on completion of transfer of know-how

1. Name of the process \_\_\_\_\_
2. Indian Patent Number \_\_\_\_\_
3. Name of the Instt. / Lab. \_\_\_\_\_
4. Name and address of the Licensee  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Terms & conditions for release of know-how:
  - a) Lumpsum premium \_\_\_\_\_
  - b) Recurring royalty \_\_\_\_\_
  - c) Nature of licence \_\_\_\_\_
  - d) Period of licence \_\_\_\_\_
6. Date of agreement \_\_\_\_\_
7. Details of the know-how given to the licensee (e.g. process data, raw materials and utilities required, flow sheet, drawings, list of equipment and machinery and specifications & materials of construction, cost data, scale of demonstration, training if any etc.)

This is to certify that in pursuance of the licence agreement with National Research Development Corporation of India for the commercial exploitation of the process, the know-how as detailed above has been given to the representative/s of M/s. \_\_\_\_\_ and the representatives of the firm are fully satisfied with the working of the process and the know-how given to them as detailed in para 7.

Director of Laboratory/  
Institute of his representative.

Representative of the  
Licensee.

Proforma for Sponsored Research Schemes

1. Title of the Scheme
2. Sponsor  
(Full address of the party along with the status of the party as to whether it is private individual firm, industrial concern, public/private sector undertaking, cottage industry. Small Scale Industry, State of Central Govt. Deptt. or any other research organisation).
3. Duration of the Project
4. Object and Scope of the Work.  
(in scope please specify whether the work contemplated is sought to be completed up to Laboratory/bench/pilot plant/prototype plant/industrial plant/engineering/detailed design and construction drawings/erection, supervision and comissioning. Any or all of these may be specified for the purpose of defining the scope).
5. Present State of Knowledge  
  
(This should be a brief description with bibliography of the existing state of knowledge on the subject).
6. Programme of work contemplated alongwith Phasing
7. Reports
8. Utilisation of Know-How
9. Patents
10. Publications
11. Finances
12. Remarks.



**STANDARD FORM OF AGREEMENT FOR  
SPONSORED RESEARCH SCHEMES.**

This agreement made on this \_\_\_\_\_ day of one thousand nine hundred and seventy \_\_\_\_\_, between the the COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH, a Society registered under the Societies Registration Act 1860 and having its registered office at Rafi Marg, New Delhi, (hereinafter referred to as CSIR, which expression shall include its representatives, successors and assigns) on one part.

and

M/s. \_\_\_\_\_, a firm having its registered  
(name of the firm)  
office/place of business at \_\_\_\_\_  
(address)  
(hereinafter referred to as \_\_\_\_\_  
which expression shall include its representatives, successors and assigns)  
of the other part.

**PREAMBLE**

WHEREAS M/s. \_\_\_\_\_ has made a request to  
(name of the firm)  
Council of Scientific and Industrial Research for the development of process know-how  
for the preparation/manufacture \_\_\_\_\_  
(title of process/product)  
at its \_\_\_\_\_ (hereinafter referred to as \_\_\_\_\_  
(name of the laboratory)  
a constituent of CSIR) and WHEREAS the CSIR has agreed to undertake the develop-  
ment of the said process knowhow for preparation/manufacture of \_\_\_\_\_  
at its \_\_\_\_\_  
(title of the process/product) (name of the Lab./Instt.)  
\_\_\_\_\_ on the terms and conditions hereinafter stated.

This agreement witnesseth and it is hereby agreed by and between the parties  
as follows:

**ARTICLE 1 - TERMS AND CONDITIONS.**

1.1 CSIR at its \_\_\_\_\_ shall undertake  
(name of the Lab.)  
development of process know-how for the preparation/manufacture \_\_\_\_\_  
\_\_\_\_\_ on laboratory/pilot plant scale  
(title of the process/product)  
(specify scale) in consideration whereof \_\_\_\_\_  
(name of the firm)  
shall pay i) an initial lumpsum fee of Rs. \_\_\_\_\_ on the day  
of signing of this agreement or in instalments as specified and/or ii) recurring

royalty for \_\_\_\_\_ at the rate of \_\_\_\_\_  
(period)  
on the sale of products/equipment based on the know-how developed by the CSIR at its  
(Laboratory).

\*1.2 M/s. \_\_\_\_\_ shall supply at its cost to \_\_\_\_\_  
(firm)  
\_\_\_\_\_ raw materials and equipment (which will be  
(laboratory)  
intimated to it) required for the work detailed under article 1.1. The products  
obtained will be the property of \_\_\_\_\_  
(firm)

1.3 Any expenditure towards TA/DA of CSIR Scientists/personnel in respect of  
journey performed by them in connection with the development of the process knowhow  
shall be met by M/s. \_\_\_\_\_ and shall be paid  
(firm)  
in advance to the laboratory.

1.4 \_\_\_\_\_ of CSIR shall complete the development of  
the process knowhow envisaged, within a period of \_\_\_\_\_ from  
(period)  
the date of signing of this agreement/from the date of receipt of raw materials and  
equipment. This period for completion of work could, however, be extended to such  
further period as may be decided by Director of \_\_\_\_\_ and  
(Laboratory)  
without any liability on the part of the CSIR/laboratory. Quarterly progress reports  
in respect of development of process knowhow shall be made available to \_\_\_\_\_  
(firm)

1.5 After the completion of work, a detailed report of work undertaken shall be  
made available to \_\_\_\_\_ by the laboratory. The  
(firm)  
process knowhow developed will be demonstrated to the authorised representative of  
\_\_\_\_\_ at the \_\_\_\_\_  
(firm) (Laboratory)

1.6 CSIR expressly disown any liability, whatsoever, on account of failure of the  
project to achieve the desired results and/or non-fulfilment of the assignments covered  
by this agreement for any reason whatsoever.

1.7 During the work as envisaged under article 1.1., above, in the event of CSIR/  
\_\_\_\_\_ Scientists exploring, inventing or  
(laboratory)  
discovering some results other than the specific objective of the aforesaid assignment,  
the CSIR shall retain absolute right on such results. CSIR/Laboratory may offer to  
release such results or process to \_\_\_\_\_ for  
(firm)  
exploitation on negotiated terms by entering into a separate agreement. In case



\_\_\_\_\_ does not accept this offer, CSIR/ \_\_\_\_\_  
(firm)  
\_\_\_\_\_ shall have the right to negotiate the release of  
(laboratory)  
such results or process with other parties without any obligation to the \_\_\_\_\_  
(firm)

1.8 Publications, if any, in respect of development of the process know-how, with the mutual consent of the parties, shall be taken in the name(s) of the research workers. It will be suitably acknowledged that the work has been done in collaboration with \_\_\_\_\_  
(firm)

1.9 The \_\_\_\_\_ shall have option for commercial exploitation of the process knowhow patented or otherwise provided such option is exercised by \_\_\_\_\_ in writing within ninety days of receipt of the final report. In case \_\_\_\_\_  
(firm)  
(firm)

does not exercise option for commercial exploitation of the process within the said period of ninety days or having exercised such an option fails to start production within two years (may be extended depending on the nature of the process knowhow) on receipt of final report, CSIR/ \_\_\_\_\_ shall be  
(laboratory)  
at liberty to offer the process to any other party. In such an eventuality, premia/royalty accruing shall be shared by \_\_\_\_\_ and CSIR  
(firm)

in the ratio of \_\_\_\_\_ subject to the condition that the total amount of share shall not exceed the total amount paid by \_\_\_\_\_ for this project. The decision of Director, \_\_\_\_\_ on whether \_\_\_\_\_  
(give ratio)  
(firm)  
(laboratory)  
\_\_\_\_\_ has started production within the said period \_\_\_\_\_ years or not and the amount of share payable to the \_\_\_\_\_ shall be final and binding  
(firm)  
on \_\_\_\_\_  
(firm)

1.10 M/s \_\_\_\_\_ shall have the right to exploit the process on exclusive/non-exclusive basis for a period of \_\_\_\_\_ years. (period of exclusivity to be incorporated, may be arrived at by mutual agreement.)  
(firm)

1.11 In case \_\_\_\_\_ starts commercial  
(firm)

production within the stipulated period, the CSIR / \_\_\_\_\_ shall have  
(laboratory)

the option of offering the process know-how to other parties after the expiry of the  
exclusive period, if any. In such case if \_\_\_\_\_ agrees to  
(firm)

participate in the transfer of technology to the other parties, the premia/royalty  
collected from other parties shall be shared on 50:50 basis between \_\_\_\_\_  
and the CSIR. If the firm does not participate in  
(firm)

transfer of technology, its share will be limited to the amount it has paid for the project.

1.12 If the results of investigations are such that a patent has to be taken, the CSIR  
shall take a patent in its name. The decision of the Director, \_\_\_\_\_  
whether or not a patent should be taken shall be  
(laboratory)

final and binding on \_\_\_\_\_  
(firm)

If any patent is taken and \_\_\_\_\_ decide to  
(firm)  
exploit the same, the patent shall be assigned to \_\_\_\_\_  
(firm)

for commercialisation in consideration of this agreement. In case the patent is  
exploited by any other party, the amount of premia/royalty shall be shared between the  
\_\_\_\_\_ and CSIR in terms of para 1.9 or 1.11  
(firm)

of this agreement as the case may be.

\*1.13 The royalties shall become due on the First of April and on the First of October in every year in respect of the articles manufactured and marketed or used by the firm during the preceding half year and shall be paid by the First of May and First of November of that year. In default of payment of such royalties on the due dates, the firm shall pay interest on the amount in default at the rate of twelve per cent per annum.

\*1.14 The firm will within fourteen days of each one of the two due dates fixed for royalties, deliver to the Laboratory/CSIR, a true and complete statement in writing of all articles manufactured by the use of the said invention, and marketed by the firm during the preceeding half year and of all royalties payable to the Laboratory/CSIR

\*1.15 \_\_\_\_\_ shall keep accurate records in  
(firm)  
sufficient details to enable the calculation and determination of royalty payable here-  
under and upon CSIR / \_\_\_\_\_ request shall permit an  
(Laboratory)

officer of CSIR to have access during ordinary business hours to examine relevant records as may be necessary to (a) determine in respect of any half year as specified in 1.13, ending not more than one year prior to the date of such request, the correctness of any report and/or payment under this Agreement and (b) obtain information as to the royalty payable for any such period in case of failure to report or pay in terms of this agreement.



1.16

All information and data pertaining to the process knowhow for  
\_\_\_\_\_ shall be treated as confidential and shall

(product)

not be passed on to a third party by \_\_\_\_\_

(firm)

## ARTICLE-2-ARBITRATION

Except where otherwise provided, any dispute arising out of this agreement shall be referred to the sole arbitration of a person nominated by DGSIR whose decision shall be final. The venue of arbitration shall be at New Delhi and arbitration shall be under the Indian Arbitration Act, 1940. The Arbitrator may from time to time, with the consent of the parties, enlarge the time for making and publishing the award.

In witness thereof the parties hereto have signed this agreement on the day, month and year mentioned hereinbefore.

### Parties

1. For and on behalf of CSIR

2. For and on behalf of  
FIRM.

Witness: 1.

2.

3.

\*(These articles may be incorporated as and when necessary).

Copy of office Memorandum No. V-11(2)-E.II(B)/63 dated the 6th May, 1963.  
from the Government of India, Ministry of Finance (Department of Expenditure),  
New Delhi addressed to all Ministries etc. etc. Departments.

**Subject: Private consultancy work by the staff of Government  
Institutions.**

At present, some categories of staff of some Government institutions (particularly the teaching staff of technological institutions like the Indian Institutes of Technology, Bombay, Madras, Kanpur and Kharagpur, the Delhi Polytechnic, etc.) are permitted to undertake private consultancy work and to receive fees from private parties in respect thereof, subject to certain conditions.

2. The position in this regard has been reviewed and it has been decided that, with immediate effect, private practice (whether it be in the nature of consultancy work or of some other type of work) should not, except in the types of cases referred to in paragraph 4 below, be permitted to any member of the staff in any Government Institution.

3. The purpose of permitting private practice to officials, viz. to enable them to keep pace with the scientific/technological advances that are taking place in their respective fields and to improve their professional competence, can be served by the institution concerned itself taking up the consultancy work. The following procedure may be adopted in such cases of institutional consultancy:-

- i) the institutions taking up the consultancy work will entrust the work to selected staff members.
- ii) as far as possible, the staff members selected for the work should have the confidence of the client;
- iii) the fees received for rendering the consultancy work will be credited to the funds of the institution;
- iv) the institution may sanction suitable honorarium to the members of the staff who actually execute the work. The honorarium should be fixed having regard to the nature of the work, the amount of time spent on it and the extent of facilities provided by the institution for the work. But the total amount of honorarium paid to the members of the staff should not exceed 2/3rd of the total fees received for the work by the institution.

4. In the case of an officer appointed on contract, who under the terms of contract, is entitled to have private consultancy practice, these order will be applied to him from the date following the date of expiry of the present contract. But, if the present contract of such an officer is for an indefinite period, these orders will be applied in his case after the expiry of two years from the date of issue of these orders.

5. The Ministry of Scientific Research and Cultural Affairs, etc. are requested to bring these orders to the notice of the institutions etc., under their administrative control.



## APPENDIX - XIII

### CONSULTANCY SERVICE

#### Cost of man-hour

Cost of salary and allowances of the scientists and the other staff actually engaged in consultancy work taking into account the total hours put in by each of them for the work.

Approximate man-day cost for different categories of staff is indicated below:

|    |                    |                   |
|----|--------------------|-------------------|
| 1. | Director           | Rs. 150/- per day |
| 2. | Deputy Director    | Rs. 125/- per day |
| 3. | Assistant Director | Rs. 100/- per day |
| 4. | Scientist 'C'      | Rs. 75/- per day  |
| 5. | Scientist 'B'      | Rs. 65/- per day  |
| 6. | Scientist 'A'      | Rs. 50/- per day  |
|    | SSA/STA & others.  |                   |

## APPENDIX - XIV

### CONSULTANCY SERVICE

#### Rate of daily charges

Rate of daily charge for different categories of staff is indicated below:-

|    |                        |                   |
|----|------------------------|-------------------|
| 1. | Director/Scientist 'F' | Rs. 150/- per day |
| 2. | Scientist 'E' to 'B'   | Rs. 100/- per day |
| 3. | Others                 | Rs. 50/- per day  |

## APPENDIX - XV

### MODEL AGREEMENT FOR CONSULTANCY SERVICE

THIS AGREEMENT entered into between the Council of Scientific & Industrial Research, a society registered under the Societies Registration Act XXI, of 1860 (hereinafter called 'Council') and Messrs \_\_\_\_\_

(hereinafter called the 'Company' with its Head Office at (address of the Company).

WHEREAS the company has requested the Council to act as its consultants.

AND WHEREAS the Council, accepted the proposal of the Company to act as its consultant through its (Lab/Instt.) on certain terms and conditions.

**NOW the parties hereby agree as follows:-**

1. The Institute shall be the consultant of the Company in respect of the matters covered by this agreement.
2. The consultancy shall be of the nature of Advisory Consultancy/Engineering Consultancy/General technical consultancy and in the name of the Institute.
3. The Consultancy service shall cover technical advice and assistance relating to :
  - a) (The nature and extent of technical
  - b) advice may be indicated in detail
  - c) - see enclosure)
4. The Company shall provide all the basic data available with them and afford all facilities for any work required to be undertaken by the Scientist/team at the works.
5. The Company shall employ competent technical personnel (engineer and chemists) for implementation of the advice and consultancy provided. The decision of the Director of the Laboratory/Institute shall be final in this regard.
6. Company shall provide insurance coverage against injury/death of consultant while engaged in consultancy work at the Company's works (this clause may be included when required).
7. The responsibility of the Institute shall be limited to technical advice on matters referred to by the Company and covered under this agreement. All procedural/legal/operational matters will be the responsibility of the Company.
8. The Company shall pay in advance Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only) to the Institute as fee for the services to be rendered under this agreement.

(in case of payments in instalments, the amount and mode of payment may be defined).
9. The parties agree that this Agreement shall be deemed to have come into force with effect from \_\_\_\_\_ and shall be for a period of \_\_\_\_\_ years. On the completion of the aforesaid period, it can be extended on such terms and conditions as may then be decided and agreed mutually between the parties and a fresh agreement for the agreed period and terms be executed.
10. During the period specified in para 9 above or during the renewed period either party can terminate the agreement by one month notice duly served in writing on the other party.



11. In the event of termination of Agreement as in Para 10, the Company shall be entitled for refund of part of fee paid which will be proportional to the quantum of unfinished work and unexpired period after deducting the expenditure incurred or committed. The decision of the Director of the Institute as to the amount to be refunded shall be final and binding.
12. The Institute shall at the request of the Company depute scientists for advice at the works of the Company. In such cases all expenditure on TA/DA/Boarding/Lodging of the Scientist/Team at appropriate scale, to be intimated by the Institute, shall be borne by the Company.
13. CSIR and/or the Institute shall not in any way be responsible for any damage to the property/plant/material of the Company during the course of or consequent to the consultancy services being provided.
14. Except where otherwise provided, any dispute between the parties arising out of or in connection with this agreement, shall be referred to the sole arbitration of Director General, Scientific & Industrial Research or his nominee/s as the case may be and the award of the Arbitrator shall be final and binding on both the parties.

The parties set their hands this day of \_\_\_\_\_

For and on behalf of

For and on behalf of the CSIR,  
New Delhi

\_\_\_\_\_  
\_\_\_\_\_  
Witnesses

\_\_\_\_\_  
\_\_\_\_\_  
Witnesses

1.  
2.

1.  
2.

.....

ENCLOSURE TO APPENDIX - XV

Nature and extent of service to be detailed in para 3 of the Agreement.

ADVISORY CONSULTANCY:

- a) examination of feasibility report/project report/equipment specifications / quotations or any other technical document referred to by the party and advice on the same;
- b) collect published information on any manufacturing process and advice on the same;
- c) examine any trouble shooting problems referred to by the party and advice on the same;

- d) provide technical advice on problems relating to layout, raw material procurement, product improvement, packaging and marketing of product;
- e) advice in connection with market survey, environmental pollution survey, waste disposal problems etc.

#### ENGINEERING CONSULTANCY:

- a) Preparation of feasibility/project report;
- b) examination of raw material for specific utility;
- c) design engineering service and specification of process equipment;
- d) advice regarding instrumentation and controls;
- e) foundation and installation drawings;
- f) design and distribution of various utilities within the battery limits;
- g) detailed cost estimates of plant including capital investment;
- h) rendering advice with regard to fabrication/purchase of equipment;
- i) helping in layout and supervision in setting up of pilot plant/excluding architectural details of building;
- j) commissioning and operation of plant;
- k) standardisation of operating conditions for efficient working with regard to quality and yield of the product;
- l) advice regarding packaging and transport;
- m) any other assistance relevant to the project required, to be specified.

#### GENERAL TECHNICAL CONSULTANCY:

- a) general technical advice and assistance in day to day working of the plant for efficient operation, improvement, replacement etc.
- b) advice on any problem relating to works referred to by the party;
- c) other technical advice and assistance not specified, during the period.



Proforma for seeking approval of Director/  
Executive Committee/DCSR for Consultancy/  
Service Proposals.

Name of the  
Institute

1. Title of Consultancy proposal
2. Name and address of the firm/  
Consulting Engineering firm/  
Organisation
3. Nature of the firm/organisation\*
4. a) Nature of consultancy (advisory,  
engineering or general)  
b) Scope of consultancy
5. Period
6. Estimated cost and fee
  - (i) Estimated cost
  - (ii) Consultancy fee
  - (iii) Total
7. Mode of payment -  
  
Lumpsum in advance/in instalments  
as specified.
8. Other conditions, if any
9. Whether the firm has conveyed  
their concurrence to the terms -  
period, fee, mode of payments,  
TA/DA of consultants etc.
10. Whether the firm/organisation has  
indicated any preference for consultant/s

---

\* (i) Cottage industry; (ii) small industry; (iii) medium industry; (iv) large industry covered under MRTP; (v) firm with foreign equity participation; (vi) Public Enterprises Undertakings; (vii) Government Organisation State/Central and (viii) Other (Specify)

11. Team of consultant(s) proposed to be associated with the project

Name

Designation

12. Whether the Consultant/team of consultant have been rendering consultant earlier to the firm/organisation, if so, since when.
13. Other consultancy projects on which the above members of the team are already engaged and relationship if any, with the firm/organisation.

Name of the firm/organisation

Projects on which he is engaged.

Number of mandays.

Remarks

14. (i) The proposal is in accordance with the approved guidelines for consultancy service.
- (ii) The proposed consultancy shall not acquire priority over the approved programme of work of the laboratory.
- (iii) The proposed consultancy does not entail release of process/patent/ know-how developed in the laboratory.



APPENDIX -XVII

Proforma for maintaining the consolidated accounts  
of sponsored projects/consultancy services

| Code No. | Title of the sponsored project. | Name of the Party/Orgn. | Name of the Project Leader. | Other Associates. | Estimate Amount. | Cheque/D.D. Number & date. | Receipt Number & date. | Amount received. | Head of A/c. |
|----------|---------------------------------|-------------------------|-----------------------------|-------------------|------------------|----------------------------|------------------------|------------------|--------------|
| 1        | 2                               | 3                       | 4                           | 5                 | 6                | 7                          | 8                      | 9                | 10           |

| Sig. of A.O. | Date of start. | Date of completion | Total Expenditure | Distribution of fee/balance available |                      |          |        |    | Sig. of A.O. | Remarks |
|--------------|----------------|--------------------|-------------------|---------------------------------------|----------------------|----------|--------|----|--------------|---------|
|              |                |                    |                   | Council's share                       | Investigator's share | Bill No. | Amount |    |              |         |
| 11           | 12             | 13                 | 14                | 15                                    | 16                   | 17       | 18     | 19 | 20           | 21      |

APPENDIX - XVIII

Proforma for keeping the detailed accounts of  
sponsored projects / consultancy services.

- i) Code Number
- ii) Title of the Project
- iii) Period of Project
- iv) Date of start

- v) Date of completion
- vi) Estimated Amount
- vii) Amount received in advance.

| Date | Bill/T. E.<br>No. & date. | Particulars | Materials | Daily<br>wages | Salary | Use of<br>Machine/<br>Equip. etc. | Depreciation | Other<br>Misc. | Total | Prog.<br>Total | Initials |
|------|---------------------------|-------------|-----------|----------------|--------|-----------------------------------|--------------|----------------|-------|----------------|----------|
| 1    | 2                         | 3           | 4         | 5              | 6      | 7                                 | 8            | 9              | 10    | 11             | 12       |



Copy of CSIR Office Memorandum No. 6/23/59-L dated the 22nd April, 1963.

**Subject: - Distribution of a portion of royalties and premia accruing on CSIR'S processes to research workers.**

On the recommendations of the Committee appointed in pursuance of the Governing Body's resolution passed at its meeting held on the 27th October, 1961, the Vice-President, Council of Scientific and Industrial Research, has been pleased to approve of the continuation of the present policy of the distributing a portion of premia and royalties accruing on Council's patents and processes to research workers.

The Vice-President has further been pleased to approve that the royalties and premia etc. be distributed as follows:-

1. Premia, royalties etc. accruing out of the exploitation of patented or other processes released through the NRDC.

- |      |   |     |
|------|---|-----|
| i)   | Investigator/s concerned and other on the recommendations of the Director and in consultation with the Executive Council of the Laboratory/Institute..... | 40% |
| ii)  | N. R. D. C. ....  | 30% |
| iii) | CSIR (Industrial Research Fund).....  | 30% |

2. Where the process, patents etc. are released directly by the C. S. I. R.

- |     |  |     |
|-----|--|-----|
| i)  | Investigator/s concerned and other on the recommendations of the Director and in consultation with the Executive Council of the Laboratory/Institute ..... | 40% |
| ii) | C. S. I. R. ....   | 60% |

3. The fees and payments received for carrying out general consultation, special investigations, preparation of project reports, design, engineering and installation and other services etc. should be dealt with as below:-

- |     |  |
|-----|--|
| i)  | Investigations of a minor nature may be carried out at the discretion of the Director and no charges may be levied for this.   |
| ii) | Investigations and technical assistance in the form of research schemes or projects resulting in technical reports, design, engineering, installation etc. should be undertaken by the Director in consultation with the Director General. |

- a) Charges for such work may some time represent only the actual cost to the CSIR of the services rendered. In such cases no share of these charges will be payable to the investigators.
  - b) Where the charges made include fees over and above the actual cost to the CSIR of the Services rendered, the break-up of the charges should be clearly indicated for approval by the Director General. Such fees charged over and above the actual cost to the CSIR will be distributable to the investigators as in 2 above.
4. Revenue accruing out of the charges for routine analysis etc. will be wholly credited to the CSIR.

The above orders will take effect from the date of issue and past cases will continue to be governed in accordance with the previous rules in forces.

#### APPENDIX - XX

##### PROFORMA FOR ASSESSMENT OF A PROJECT FOR PILOT PLANT/PROTOTYPE/BATCH PRODUCTION/ PLANT INVESTIGATIONS.

1. Name of the Laboratory:
2. Name of the Project:
  - a) Main product and its use:
  - b) Co-products and their use:
  - c) By-products and their use:
4. Quantity of by-products produced per unit quantity (please specify) of the main product.
5. Work already done:
  - a) Scientific and technological results already achieved which justify taking up the pilot plant work.
  - b) What further work is required to be done before starting the pilot plant, and how much time and cost would it involve?
  - c) Scale of work/quantity of product made in each batch and number of batches made.
  - d) Specifications achieved in relation to specification targetted.



e) How do the specification compare with IS/DP/USP standards, if any.

f) Consumer acceptability reports:

No. of samples sent  
for consumer trials.

No. of replies  
received.

(please attach copies  
of consumer reports)

Justification for taking up the pilot plant

6. Technical

7. Economic

a) Current and potential demand, say  
after 10 years (Give source).

b) How the demand has been met, so far:

i) Imports (give import quantity and  
value for the last 3 years)

ii) Indigenous production (give quantity  
and value for the last 3 years) Yearwise.

c) Present capacity licensed and capacity  
installed.

d) Present market price in India and in  
International market.

e) What industries will the product serve/stimulate?

f) Whether any export possibility exists?  
(give supporting data)

8. Description of the process developed so far and its Special Features.

a) Description of the process developed  
(please give a flow diagram)

b) What are the specific advantages/novelty claimed?

c) Is there any likelihood of infringement of existing  
patents/trade marks?

d) Is the process covered by a patent/patents?  
Does it infringe any patent or trade marks?  
(give relevant references of patents and attach copies  
of patent specifications).

e) Process Data :

i) Equipment:

| <u>Name</u> | <u>Value</u> |
|-------------|--------------|
| Imported    | Rs. In lakhs |

Indigenous:

ii) Raw Materials:

Imported:

Indigenous:

iii) Utilities and their consumption:

iv) Operating conditions:

v) Usage of raw materials

vi) Reliability and reproductibility of the process of manufacture:

vii) Yield:

viii) Batch/continuous process:

ix) Total process time:

x) Any catalyst/heating media used:

xi) Energy requirement. Type of fuel used and quantity:

f) Whether the process already investigated is amenable to scale-up? If so, how the experiments and equipment need be modified during scale up work?

9. Objectives of the Pilot Plant:

- i) Collection of process data for optimisation and standardisation of conditions for bulk production.
- ii) Collection of engineering data.
- iii) Manufacture of product on limited scale for specific requirement of defence, etc.
- iv) To investigate Consumer acceptability and market research.
- v) Demonstration and experimental unit.



10. Utilisation of Pilot Plant.

- a) Has any prospective user of technology been identified (give name and address)
- b) How the products obtained are to be utilised?

11. Programme of work inputs:

- a) Phased programme of work and time scale.
- b) Capacity of the proposed plant and scale of production (continuous/batch)
- c) Estimated expenditure on the proposed pilot plant work:  
(please see note blow)

Total

Foreign exchange  
component, if any,

- i) Fixed capital on land and building
- ii) Fixed capital on plant and machinery.
- iii) Raw materials.
- iv) Staff
- v) Utilities.
- vi) Others, if any,

TOTAL: COST \_\_\_\_\_

(Give details in the NRDC proforma)

- d) Phasing of expenditure (Estimated)  
(Rs. in lakhs)

1st year  
2nd year  
3rd year

- e) Estimated cost of production.

12. Collaborative Arrangements:

- a) Whether the pilot plant is proposed to be set up by the laboratory itself or in collaboration with NRDC and/or industry. In the latter case, terms may be indicated.

- b) Whether the pilot plant is to be set up at the laboratory or at the premises of the interested industry?
- c) What assistance (facility) the laboratory would provide if the plant is set up at the premises of industry.

10. If the pilot plant is to be assembled from the existing available equipment, only working expenses need be given.

- d) Whether association of any consulting engineering firm (Public or Private) is needed in evaluation or execution of project. Suggestions may be given.
- e) Whether the full scale plant will be designed and engineered by any outside agency. If so, whether its association at this stage of work (i. e. pilot plant work) is needed.

11. Miscellaneous:

- a) Quality control procedures and facilities required.
- b) Safety considerations.
- c) Any specific problem regarding effluent pollution or other difficulty anticipated.
- d) Any other point, not covered by above.

APPENDIX - XXI

PROFORMA FOR PROPOSALS ON PILOT PLANT  
DEMONSTRATION PLANT AND BUILDING OF  
PROTOTYPE TO BE FINANCED BY NRDC.

- 1. Name of the Project/Proposal
- 2. Products  
Co-products and by-products
- 3. Uses of the products and by-products



- 4.
- a) Present consumption pattern.
  - b) How is the demand being met?  
Indigenous production, imports
  - c) Estimated future demand.
  - d) Present market price.

5. Process:

- a) Background information, existing technology in India and abroad.
- b) Detailed description of the process, its specific advantages and scope of its present and potential application.
- c) In the light of trends of research in this line, does the proposal, now made, have reasonable chance of standing test of time, say 10-15 years?

6. Laboratory work:

- a) Scale of investigation
- b) Quantity of product prepared
- c) Are you able to supply adequate quantity of the products as samples to entrepreneurs?
- d) Data of laboratory investigation with respect to operating conditions, approximate consumption of raw materials and utilities, yield etc.

7. Any work done on pilot plant:

- a) Capacity of the pilot plant
- b) Duration of the pilot plant investigation
- c) Design data collected e.g., consumption of raw materials, utilities, operating conditions, yield etc.
- d) Whether the pilot plant is still in operation. If so, could it be demonstrated to prospective entrepreneurs?

8. Quality of products:

- a) Specifications of the products, I.S. or others
- b) Have the products been tested to conform to the specifications?

- c) Consumer acceptability report on the products.
  - d) Marketability prospects
  - e) Addresses of firms interested in financial & technical collaboration from the beginning of the project.
9. Pilot Plant/Semi-commercial plant:
- a) Suggested capacity.
  - b) Layout of the plant indicating;
    - i) Land required for plant
    - ii) Land required for raw materials and finished product storage.
10. Raw Materials:
- a) Specifications of raw materials
  - b) Their indigenous availability
  - c) Quantity and value of raw materials:
    - i) Indigenous
    - ii) Imported.
11. Equipment for Pilot Plant/Semi-commercial plant/Prototype:
- a) List of all equipment alongwith approximate specifications.
    - i) Indigenous equipment
    - ii) Imported equipment
  - b) Likely suppliers.
  - c) Do you have any of this equipment already available?
  - d) Time required for procuring the equipment and setting up of the plant.
12. Economics of the Pilot Plant/Semi-commercial plant/Prototype plant (as per proforma for predesign cost estimates)
- a) Fixed capital on building
  - b) Fixed capital on plant
  - c) Working capital
  - d) Cost of production.



13. Safety considerations, if any.
14. Anticipated effluents & pollution problems and suggestions for tackling the same.
15. Copy of the complete patent specification, if process is patented.
16. Any restrictions/difficulties anticipated in the implementation of the proposal.
17. Detailed phased programme of work alongwith funds required. Please indicate total period required to complete the work.
18. Processes which involve production of equipment, instruments etc.
  - a) Has any prototype been prepared? If so, number of prototypes already made.
  - b) Have the prototype been operated successfully.
  - c) Have the prototypes been demonstrated satisfactorily.
  - d) How many more prototypes would be needed before production could be established?
  - e) Have you a set of drawings for making the prototypes?
  - f) What is the suggested number of pieces for production on commercial scale?
  - g) Estimated requirement of capital.
  - h) What is the estimated cost of the item, when produced on a commercial scale?
19. Any other point not covered by the above which you wish to bring out.

Draft Bond to be executed by scientists/technologists/  
engineers on Contract.

KNOWN ALL MEN BY THESE PRESENTS THAT WE \_\_\_\_\_  
resident of \_\_\_\_\_  
in the District of \_\_\_\_\_ at present employed as \_\_\_\_\_  
in the Lab./Instt. of CSIR \_\_\_\_\_  
(hereinafter called "the Obligor") and Shri/Shrimati/Kumari \_\_\_\_\_  
son/daughter of \_\_\_\_\_ of \_\_\_\_\_  
and Shri/Shrimati/Kumari \_\_\_\_\_ son/daughter of \_\_\_\_\_  
of \_\_\_\_\_ (hereinafter called  
the sureties) do hereby jointly and severally bind ourselves and our respective heirs,  
executors and administrators, to pay to the CSIR, its successors and assigns  
(hereinafter called the Council) on demand the sum of Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_) together with interest  
thereon from the date of demand at Government rates for the time being in force on  
Government loans or, if the payment is made in a country other than India, the  
equivalent of the said amount in the currency of that country converted at the official  
rate of exchange between that country and India AND TOGETHER with all costs between  
attorney and client and all charges and expenses that shall or may have been incurred  
by the Council.

WHEREAS the Council has, at the request of the above bonded Shri/Shrimati/  
Kumari \_\_\_\_\_ employed as a \_\_\_\_\_ granted  
him/her extraordinary leave without pay and allowances, for a period of \_\_\_\_\_  
months/\_\_\_\_ days with effect from \_\_\_\_\_ in order to  
enable him/her to set up an industry on the condition that the obligor shall execute  
this bond with two sureties with such conditions as hereunder written:

AND WHEREAS the obligor and the said sureties have agreed to execute this  
bond.

NOW THE CONDITION OF THE ABOVE WRITTEN OBLIGATION IS THAT in  
the event of the above bonded Shri/Shrimati/Kumari \_\_\_\_\_  
failing to serve Council after rejoining after expiry of EOL for such period not  
exceeding a period of \_\_\_\_\_ years as the Council may require or  
refusing to serve the Council in any other capacity as may be required by the Council  
on a salary to which he/she would be entitled under the rules, the said Shri/Shrimati/  
Kumari \_\_\_\_\_ or his/her heirs executors and administrators shall  
forthwith pay to the Council on demand the said sum of Rs. \_\_\_\_\_ together  
with interest thereon from the date of demand at Government rates for the time being  
in force on Government loans.

AND upon the obligor Shri/Shrimati/Kumari \_\_\_\_\_ and or  
Shri/Shrimati/Kumari \_\_\_\_\_ and, or Shri/Shrimati/Kumari \_\_\_\_\_  
the sureties aforesaid making such payment the above written  
obligation shall be void and of no effect, otherwise it shall be and remain in force and  
virtue.

Provided, however, that in the event of the above Bondee Shri/Shrimati/  
Kumari \_\_\_\_\_ resigning his post or seeking voluntary retirement  
as admissible on expiry of the leave granted to him/her, the bond will become  
inoperative.



PROVIDED always that the liability of the sureties here under shall not be impaired or discharged by reason of time being granted or by any forbearance, act or omission of the Council or any person authorised by them (whether with or without the consent or knowledge of the sureties) nor shall it be necessary for the Council to sue the obligor before suing the sureties, Shri/Shrimati/Kumari \_\_\_\_\_ and Shri/Shrimati/Kumari \_\_\_\_\_ or any of them for amounts due hereunder.

This bond shall in all respects be governed by the laws of India for the time being in force and the rights and liabilities hereunder shall where necessary be accordingly determined by the appropriate courts in India.

Signed and dated this \_\_\_\_\_ day of \_\_\_\_\_  
one thousand nine hundred and \_\_\_\_\_ signed and delivered  
by the obligor.

Above-named Shri/Shrimati/Kumari

\_\_\_\_\_ in the presence of \_\_\_\_\_

Witness: 1.

2.

Signed and delivered by the surety  
above-named Shri/Shrimati/Kumari  
\_\_\_\_\_ in the presence of \_\_\_\_\_

Witness. 1.

2.

Signed and delivered by the surety  
above-named Shri/Shrimati/Kumari  
\_\_\_\_\_ in the presence of \_\_\_\_\_

Witness: 1.

2.

ACCEPTED  
FOR AND ON BEHALF OF THE  
Council of Scientific & Industrial Research  
New Delhi.

**Application form for Extraordinary leave under the Scheme  
for providing facilities to CSIR Scientists/Technologists/  
Engineers for setting up of industries**

(Circulated vide letter No.23/17/74-L dated the 21st October,  
1974).

**PART I**

1. Name (IN BLOCK CAPITALS):
2. Designation :
3. Date of birth/age :
4. Date of appointment in  
the Council. :
5. Whether \_\_\_\_\_ permanent \_\_\_\_\_ temporary \_\_\_\_\_  
\_\_\_\_\_ on contract
6. Extraordinary leave required: For \_\_\_\_\_ years and  
\_\_\_\_\_ months.  
From \_\_\_\_\_
7. Full address while on leave:
8. Whether the project is being:  
taken up jointly with some  
other Scientist/Technologist/  
Engineer? If so, his name  
and address.

**PART II**

1. a) Which CSIR know-how/process :  
is to be utilised and what products  
would be manufactured.
- b) Know-how/process developed :  
at (Laboratory/Institute).
- c) Know-how/process : \_\_\_\_\_ Not patented  
\_\_\_\_\_ Patent No.
- d) Obtained through : \_\_\_\_\_ NRDC  
\_\_\_\_\_ Directly from the  
Laboratory/  
Institute.



2. Details including duration of pilot plant & other facilities required from the Lab. /Instt.
3.
  - a) Proposed name, registered address (if any) and proposed location of the undertaking to be established.
  - b) The Undertaking would be \_\_\_\_\_
 

Proprietorship  
 Partnership  
 Private Limited Company  
 Public Limited Company
  - c) Proposed financing Scheme :  
(if brief).
4.
  - a) Would an Industrial Licence be required for the Undertaking ? :
  - b) Would import of machinery or equipment be involved :  
(give brief details)
  - c) Brief details of demand :  
study (if carried out).
  - d) Brief details of Economic :  
viability (if worked out)

### PART III

(FOR THE USE OF THE HEAD OF THE LAB. /INSTT.)

1. Certified that:
  - a) the particulars given by the applicant in Part I (item 1 to 5) have been verified and found to be correct.
  - b) the know-how has been referred/assigned to the NRDC of India and presently the process/know-how is on laboratory/bench/pilot plant/semi/commercial scale.
  - c) the know-how is available for commercialisation without encumbrances.
  - d) the project submitted by the applicant is technically sound and economically viable.
  - e) the pilot plant and other facilities will be made available to the applicant (on payment at specified charges) without detriment to the normal working of the Laboratory/Institute.

- f) the applicant has the necessary administrative, managerial and financial capability to make a success of the project.
- g) In the event of leave being sanctioned and the applicant proceeding on leave, the laboratory will be in a position to release the technology to other parties as may be licensed by the NRDC of India.

2. Recommendations

Signature of the Head of the  
Laboratory/Institute.

PART IV

Recommendations of the Sub-Committee.

PART V

Approval of DGSIR

APPENDIX - XXIV

Proforma to be filled in by Scientists/Technologists/Engineers  
granted extra-ordinary leave under the CSIR Scheme on resuming  
duty.

Name of the laboratory

1. Name
2. Designation
3. Date of proceeding on leave
4. Proposed/actual date of joining

PROJECT PARTICULARS

5. Name of the process/project for which leave was granted
  - a) Whether knowhow taken through NRDC
  - OR
  - b) Direct by Laboratory
6. Whether the licence was in his name or in the name of the firm or in the name of some other partner
7. Assistance received from the laboratory

PARTICULARS OF THE FIRM

8. Name and address of the firm in which he was a partner for the exploitation of the above process.



9. Whether the firm was a running concern prior to grant of leave to the scientist or it was set up specifically for the exploitation of CSIR process.
10. Nature of the firm
- Proprietary  
Partnership  
Private Limited
11. Details regarding technical and financial participation.
- Partner  
Director  
Technical Director  
Shareholder
12. Whether the firm will continue to exploit the process after the scientist having severed all connections financial & technical.

WORK REPORT

13. What was the original programme / proposal at the time of taking leave.
14. Action taken by the Scientist
15. Details regarding difficulties, experiences etc. Please give factors of success/failure in details.
16. Specific reasons for rejoining the laboratory before/after the expiry of the leave.
17. Remarks

Signature

REMARKS, VIEWS AND RECOMMENDATIONS OF THE DIRECTOR

Signature

Form of Agreement between CSIR & Consultants

Articles of agreement made at Delhi \_\_\_\_\_ day of 1979 between Council of Scientific & Industrial Research, New Delhi, a Society registered under the Societies Registration Act, 1860 hereinafter referred to as the 'Council' which expression shall include its successors and assigns and all the persons for the time being in management of the Society of the one part

and  
Dr. /Shri \_\_\_\_\_ resident of ( give address ) \_\_\_\_\_  
\_\_\_\_\_ hereinafter referred to as the 'Consultant' which expression shall include his respective heirs, successors and assigns of the other part.

Whereas the Council is desirous of appointing Dr. /Shri \_\_\_\_\_ as consultant to (Name of Laboratory) \_\_\_\_\_  
\_\_\_\_\_ an Institute of the Council, AND whereas Dr. /Shri \_\_\_\_\_ has agreed to act as consultant.

WHEREBY the parties hereto agree as follows:-

1. That Dr. /Shri \_\_\_\_\_ shall be the consultant of the Council in respect of the matters covered by this agreement.
2. The consultancy service shall be of the nature of advisory consultancy/general technical consultancy and shall cover advice and assistance relating to:
  - i ) \_\_\_\_\_
  - ii ) \_\_\_\_\_
3. The parties agree that this agreement shall come into force with effect from \_\_\_\_\_ and shall be for a period of one year. The agreement can be terminated by either party by giving one month notice & the parties shall settle the account on Quantum Meruit basis.
4. The Council shall pay a fee of Rs. \_\_\_\_\_ to Dr. /Sh. \_\_\_\_\_ for the service to be rendered under this agreement. Other facilities of contingent nature shall also be made available to the consultant by the Council. ( Please specify instalments, if any )
5. The consultant shall visit \_\_\_\_\_ for discussions, advice and assistance specified in para 2 as and when required and agreed to between the consultant and Director (Laboratory) \_\_\_\_\_. For his visits, consultant shall be paid TA and DA as admissible to the officers of the Council drawing a salary of Rs. \_\_\_\_\_ per month and above.
6. The consultant undertakes that he or his associates shall not divulge any information or data provided by the \_\_\_\_\_ nor disclose the details



of the process/design to any individual or any party other than those to whom the Council would desire him to do so. The consultant shall not correspond with or communicate to any learned society or Journal in this regard.

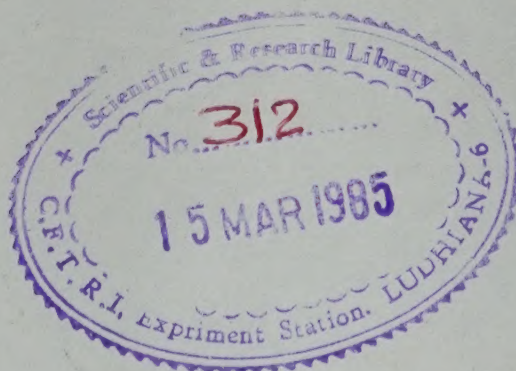
7. The consultant shall not file any patent application in his own name or in the name of any other person or persons on any matter relating to the information made available to him by the Council/Laboratory.
8. The consultant shall not upon receipt of information oppose or direct or cause any person to oppose or direct any patent application relating to the process filed by the inventors/Council.
9. The consultant shall have no claim on the receipts consequent to the exploitation of know-how or the design.
10. All disputes and differences between the parties arising out of or in connection with this agreement, shall be referred to the sole arbitration of DGSIR or his nominee as the case may be and the decision of the arbitrator shall be final and binding on the parties. The provision of Arbitration Act, 1940 or any statutory enactment thereof and all the rules made thereunder for the time being in force shall apply to the arbitration proceedings under this clause.

In witness whereof the parties hereto set their hands on the date and the year written above.

#### WITNESSES

1. \_\_\_\_\_ On behalf of the Council of Scientific & Industrial Research, New Delhi-1.
2. \_\_\_\_\_ Over and on behalf of the Consultant.

( As per form approved by Law Officer in file No. 5/18/77 E-II and circulated vide letter No. 11/71/78-L dated 11.10.1979 ).





16 JUL 1985

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